

# MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1994

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Y 4. AP 6/2:S. HRG. 103-455

Military Construction Appropriation... RINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED THIRD CONGRESS  
FIRST SESSION  
ON  
**H.R. 2446**

AN ACT MAKING APPROPRIATIONS FOR MILITARY CONSTRUCTION FOR  
THE DEPARTMENT OF DEFENSE FOR THE FISCAL YEAR ENDING SEP-  
TEMBER 30, 1994, AND FOR OTHER PURPOSES

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Printed for the use of the Committee on Appropriations



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# **MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1994**

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**TUESDAY, MAY 18, 1993**

**U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.***

The subcommittee met at 10 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Jim Sasser (chairman) presiding.

Present: Senators Sasser, Gorton, and Stevens.

## **DEPARTMENT OF DEFENSE**

### **MILITARY CONSTRUCTION, FAMILY HOUSING, AND THE BASE CLOSURE ACCOUNTS**

## **DEPARTMENT OF THE ARMY**

### **STATEMENT OF PAUL W. JOHNSON, DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR INSTALLATIONS AND HOUSING**

#### **ACCOMPANIED BY:**

**MAJ. GEN. JOHN F. SOBKE, DEPUTY CHIEF OF ENGINEERS, DE-  
PARTMENT OF THE ARMY**

**BRIG. GEN. JOHN R. D'ARAUJO, JR., DIRECTOR, ARMY NATIONAL  
GUARD**

**BRIG. GEN. THOMAS J. KILMARTIN, DEPUTY CHIEF, ARMY RE-  
SERVE**

**COL. WILLIAM T. HARVEY, CHIEF, BASE REALIGNMENT AND CLO-  
SURE OFFICE**

#### **OPENING STATEMENT OF HON. JIM SASSER**

Senator SASSER. The subcommittee will come to order. Today we begin hearings on the fiscal year 1994 budget request for military construction, family housing, and the base closure accounts.

Now, the requests before us total \$9,594,000,000. This overall request is \$1,205,000,000 above last year's appropriation, an increase of 14 percent. Now, before I get to our witnesses, we have been joined this morning by Senator Stevens, our friend from Alaska. Let me turn to him and see if he has any opening comments or opening statements.

Senator STEVENS. No; thank you, Mr. Chairman. It is nice to be with you.

Senator SASSER. Thank you, Senator. This morning we will hear from both the Army and the Navy. We will hear from the Army first. Our witnesses will address the requests for the active Army,

for the Guard component, and the Reserve component, and also the Army's portion of the base closure accounts.

We are pleased to again welcome before the committee the Deputy Assistant Secretary of the Army for Installations and Housing, Mr. Paul Johnson.

Secretary Johnson, we welcome you to the subcommittee, and I would ask you to introduce your colleagues from the Army with you today, and then you may proceed as you wish.

Secretary, JOHNSON. Thank you, Mr. Chairman. I have with me today to talk about the active Army, Deputy Chief of Engineers, Maj. Gen. John F. Sobke. That is a change from the last time.

As you recall, he was the Assistant Chief of Engineers. He now is the Deputy Chief of Engineers. Also with me today is General D'Araujo, the Director of the Army National Guard; General Kilmartin, Deputy Chief of the Army Reserve; and, Colonel Harvey, Chief of the Army Base Closure Realignment Office.

#### PREPARED STATEMENT

We together have a joint statement that we would like to submit for the record. Each of us will have a short oral statement.

[The statement follows:]

#### STATEMENT OF PAUL W. JOHNSON

Mr. Chairman and members of the subcommittee, it is a pleasure for us to appear before you to discuss the Army's portion of the military construction request for fiscal year 1994. Also, we will discuss the status of base realignment and closure actions within the Department of the Army. These issues are clearly of considerable importance to the Army, as well as this committee, and we appreciate the opportunity to report to you on them.

This hearing statement is broken into two parts:

Part I—Military Construction, Army; Family Housing, Army; and Homeowners Assistance Fund, Defense

Part II—Military Construction, Army; National Guard

Part III—Military Construction, Army Reserve

Part IV—Base Realignment and Closure (BRAC)

#### PART I—MILITARY CONSTRUCTION, ARMY; FAMILY HOUSING, ARMY; HOMEOWNERS ASSISTANCE FUND, DEFENSE

First, I will present the Active Army's portion of the Military Construction budget request for fiscal year 1994. This program will provide essential construction to continue the reshaping of the Army, especially in the barracks modernization program, together with the construction of chemical demilitarization facilities, power projection facilities and a modest construction program in the family housing area.

The fiscal year 1994 budget requests appropriations for Military Construction, Army of \$776,642,000, and \$1,343,886,000 for Army Family Housing. We are also requesting \$151,400,000 in fiscal year 1994 for the Homeowners Assistance Program, which the Army manages for the Department of Defense.

The Army is an organization made up of Active, Reserve, and National Guard units, soldiers, civilians, family members, installations, facilities, weapons systems and equipment. The Army's mission is to fight and win the Nation's wars. Even with the budgetary constraints and organizational changes, the American people will demand nothing less from the Army than quick, decisive victories with minimal loss of life if we must fight. The Army of the future will be smaller, more versatile and based primarily in the United States. We will rely on quality people, competent leaders, tough realistic training, modernized equipment, and sound doctrine.

This budget reflects the fiscal constraints and reduced military force structure that we are projecting. We are in the process of restructuring to a power projection, continental United States based force, while still maintaining a minimum forward presence. One of the largest challenges we face in our constrained resource environment is to maintain our facilities' readiness while downsizing the Army. The requirement to shape the Army for the future and reduced defense resources have pro-

duced this fiscal year 1994 Military Construction budget. The budget funds our highest priority military construction and family housing requirements, in addition to funding facilities for the execution of the Chemical Demilitarization program.

The most important challenge facing our policy-makers, commanders, soldiers and civilian employees as we make our way into the 21st Century is how to keep the various components of the Army in balance while maximizing effectiveness, efficiency, and responsiveness from the limited available resources. There is a constant struggle to keep the capabilities of the Army in equilibrium with the requirements placed on it as an element of national power. Recent history shows that we must meet the many demands of a changing, uncertain world immediately. There is little time to build response forces when an unexpected crisis occurs. Therefore, we have set out to build our United States installations into power projection platforms to enable direct execution of the National Military Strategy to project forces beyond our borders anywhere in the world with little advance notice.

The Army continues to adjust to both reduced defense resources and an environment that continues to change on almost a daily basis. We are becoming a smaller, better trained, more mobile force—an Army better postured for the changing world in which we find ourselves. The Active and Reserve components have carefully crafted a structure with proper size and composition to retain and improve its versatility, deployability and decisive combat capabilities to meet the defense needs of our nation in the 1990's and beyond. Our challenge is to maintain the ability to respond to a broad spectrum of possible contingencies. Essential to meeting this challenge is maintaining a clarity of purpose. We must remain uncompromising in our readiness standards while moving forward on the challenge to shape the force.

I would now like to talk about our facilities strategy as it affects fielding of modern weapons systems, maintaining operational efficiencies and, most importantly, caring for our soldiers and their families. Our facilities mission is to meet the demands of a ready fighting force, support National objectives such as environmental protection, and provide quality living and working conditions within the resources available to insure we attract, train, equip and retain quality soldiers.

#### FACILITIES ACQUISITION STRATEGY

The Military Construction, Army (MCA) program constitutes approximately 1.3 percent of the total Army budget request in fiscal year 1994, while the Army Family Housing (AFH) program represents another 2.2 percent of the total Army budget. These funds finance both new construction and the revitalization of the facilities that protect the health and safety of our soldiers, provide suitable living facilities for our personnel, and protect the environment and living conditions of all personnel. Our request provides facilities and family housing operation and maintenance funding needed to partially satisfy the many requirements of today's Army.

The Army's facilities strategy is applied in our allocation of funds within the total funds available to the Army. The Army's strategy is to provide sufficient resources, to reduce our facilities inventory and to focus our facilities budget on ensuring and sustaining quality of life and the environment at our remaining installation structure. In addition to Base Closure and Realignment in the U.S. and OCONUS reductions, we are continuing a facility reduction program to further reduce our inventory. This program consists of consolidating into our best facilities, specific reduction targets for each Major Command, and demolishing one square foot of existing facility for every square foot of new construction. On the resource side, we strive to obtain sufficient funds and focus them on the areas of highest payback.

Due to overall budget constraints, our request for Military Construction and Family Housing is modest. Regardless, we remain committed to taking care of what we have before building new. Any decision to provide a new facility is made only after a detailed analysis of the alternatives shows that there is no other economically acceptable solution. Thus, projects that are classified as facility upgrade or modernization do not have a lower priority, they merely represent the optimum alternative as the facilities strategy is applied.

As the Army transitions to a smaller force, we must not presuppose that construction of new facilities is unnecessary. We must plan for a reduced force structure by not only reducing the facilities that are not required, but also by replacing the facilities that are uneconomical to operate and maintain. This new construction represents revitalization through facilities replacement. Additionally, we must continue to streamline our base structure with selected base closures and realignments.

The fiscal year 1994 MCA request supports a program aimed at improving the quality of life of our unaccompanied personnel and providing mission essential construction. Approximately 70 percent of the MCA program funds these two areas. This year, 14 percent of the MCA request is dedicated to the Chemical Demilitariza-

tion program by funding the construction of the Anniston Army Depot facility. The remaining MCA balance provides for planning and design and unspecified minor construction projects, which totals almost 16 percent in fiscal year 1994. All of this request is essential for the Army to successfully perform its mission and care for its people.

As in the past few years in the family housing area, our thrust is to operate, maintain and modernize what we own. Almost 69 percent of our resources in fiscal year 1994 is going to pay for operations, utilities and maintenance expenses and improvements to existing units. Additionally, 19 percent will pay for the leasing of homes to provide adequate housing for our military families. Much of the operations and maintenance and leasing costs are an offset to the Military Personnel, Army (MPA) account, since the Service members give up their housing allowance. The remainder will be used to construct 1,183 new homes, accomplish planning and design, and provide the final debt service payment for the remaining mortgage for Wherry housing.

Now, I would like to discuss the various parts of the budget that I will present today.

#### MILITARY CONSTRUCTION, ARMY (MCA)

##### SPECIAL PROGRAM HIGHLIGHTS

###### WHOLE BARRACKS RENEWAL INITIATIVE

In our efforts for achieving Army communities of excellence, the Army has initiated a long range Whole Barracks Renewal program to provide funding for new construction and modernization projects. This program represents a significant, long-term commitment on our part to improve the living conditions of single soldiers and provide them with the best facilities possible. Current times require we provide a living environment conducive to attracting and retaining quality soldiers. With the advent of a smaller, CONUS-based force we must provide a quality of life for our single soldiers that is comparable with living off the installation.

As part of the effort to improve the living conditions, we are planning 12 projects to either construct new facilities or provide barracks modernization, \$264,800,000, and one dining facility modernization, \$3,500,000. Whole barracks modernization includes upgrading the current facility to our new barracks standards of providing additional space for service members, as well as providing amenities such as upgraded day rooms, landscaping, and additional parking. Thus, the whole barracks renewal program not only looks at the living facilities but at the entire living environment of our single soldiers.

##### STRATEGIC MOBILITY

After Operation Just Cause and Operation Desert Storm, the Army has undertaken an upgrade of the strategic mobility infrastructure. The fiscal year 1994 budget includes six projects, \$26,650,000, at three installations to support this upgrade program. Four projects at Fort Stewart will provide increased storage area, railroad and container handling improvements and a staging area for future mobility requirements. At Fort Campbell we are adding a mobilization warehouse and at Hawthorne Army Ammunition Plant we will provide additional container holding pads. These projects will provide initial upgrades to facilities required for future mobilization.

##### ARMY ENVIRONMENTAL COMPLIANCE

The fiscal year 1994 program includes three projects for environmental compliance, totaling \$12,490,000. The largest project for a sewage treatment facility, \$11,200,000 at Kwajalein Atoll, will eliminate the discharge of undertreated domestic sewage into the ocean. The project will permit the United States to comply with the Environmental Mitigation Plan defined in the Compact of Free Association between the United States and the Republic of the Marshall Islands. One project, \$750,000 at Tobyhanna Army Depot, will provide a water pollution abatement facility and another at Fort Bragg, \$540,000, will provide an upgrade to the sewage treatment plant to meet the operating requirements of the National Pollutant Discharge Elimination System.

##### CHEMICAL DEMILITARIZATION

Construction of the first CONUS chemical demilitarization facility is continuing at Tooele Army Depot, Utah, and is now approximately 86 percent complete. Construction is scheduled for completion in July 1993, followed by operational tests

starting in August. The fiscal year 1994 program does include a project, \$1,500,000, to build an office, storage and laboratory building to provide a treaty verification facility at Tooele Army Depot.

In our fiscal year 1992 and 1993 budget, we had included a project for a chemical demilitarization facility at Anniston Army Depot, Alabama. After submission of these requests, the overall chemical demilitarization program schedule was revised. The construction of the Anniston chemical demilitarization facility is now planned for fiscal year 1994. The total project cost is \$145,000,000. Appropriations and an authorization of appropriations of \$110,900,000 in fiscal year 1994 are required for construction of the Anniston facility, which equates to \$145,000,000 less the \$4,900,000 from fiscal year 1991 and \$29,200,000 from fiscal year 1992. This project includes the construction of an office, storage and laboratory building costing \$2,000,000 to provide a treaty verification facility at Anniston.

In fiscal year 1994, the total chemical demilitarization program is \$112,400,000, or 14 percent of the MCA request.

#### REVITALIZATION OF ARMY FACILITIES

We clearly recognize the importance of building an infrastructure that provides a solid foundation for sustaining a quality Army. Our facilities revitalization program accomplishes this by renewing the foundation with modern facilities to meet the needs of our high quality force. With declining defense budgets and reductions in our force structure, we must streamline our military base structure. Our goal is to reduce our existing facilities base. The smaller Army of the future will allow us to consolidate activities into our best facilities and revitalize those facilities remaining after force reductions. Even as our facilities base declines, we must continue to maintain an adequate level of funding. The current budget has a revitalization investment rate, in the revitalization portion of both Military Construction, Army (MCA) and Real Property Maintenance Activities (RPMA), of about 1.33 percent of the Army's facilities Plant Replacement Value, a 75-year cycle. Although this funding rate is below our goal of 1.75 percent and 57 years, it is an improvement on our position last year and does provide a minimum level of construction to continue our efforts to provide adequate living and working conditions for service members and their families. We continue to be committed to improving this rate of investment and believe it can be accomplished as force structure and basing decisions are made. These actions, coupled with execution of Army's strategy of providing sufficient resources, reducing our facilities inventory and focusing our resources on ensuring and sustaining quality of life at our remaining installation structure, should provide the means necessary to maintain quality facilities for our high quality force.

#### BUDGET REQUEST ANALYSIS

The fiscal year 1994 MCA budget request includes a request for appropriations of \$776,642,000, along with a companion request for authorization of appropriations for the same amount. The total authorization required is for \$665,742,000.

The difference in the authorization and appropriations requests in fiscal year 1994 is due to the chemical demilitarization project at Anniston Army Depot, Alabama, as shown below.

|                               | Authorization | Authorization of appropriations | Appropriations |
|-------------------------------|---------------|---------------------------------|----------------|
| Anniston Army Depot, AL ..... | .....         | \$110,900                       | \$110,900      |

There is no additional requirement for authorization for construction of the Chemical Demilitarization Facility at Anniston Army Depot in fiscal year 1994, since authority approved in fiscal years 1991, 1992 and 1993 provides sufficient authority to execute the project at its current scope. The request for appropriations and authorization of appropriations is \$110,900,000.

The appropriations and authorization request, by facility category, is shown in Table 1:

TABLE 1.—PROPOSED FISCAL YEAR 1994 MILITARY CONSTRUCTION, ARMY, PROGRAM FACILITY CATEGORY APPROPRIATIONS AND AUTHORIZATION

| Facility category                                | Fiscal year 1994 authorization of appropriations | Fiscal year 1994 appropriations | Percentage |
|--|--|---------------------------------|------------|
| Operation and training .....                     | \$74,310,000                                     | \$74,310,000                    | 9.6        |
| Maintenance and production .....                 | 174,000,000                                      | 174,000,000                     | 22.4       |
| Research, development, test and evaluation ..... | 33,150,000                                       | 33,150,000                      | 4.3        |
| Supply and administration .....                  | 37,700,000                                       | 37,700,000                      | 4.9        |
| Unaccompanied housing .....                      | 278,300,000                                      | 278,300,000                     | 35.8       |
| Community .....                                  | 20,351,000                                       | 20,351,000                      | 2.6        |
| Utilities and real estate .....                  | 37,390,000                                       | 37,390,000                      | 4.8        |
| Design .....                                     | 109,441,000                                      | 109,441,000                     | 14.1       |
| Minor construction .....                         | 12,000,000                                       | 12,000,000                      | 1.5        |
| Total .....                                      | 776,642,000                                      | 776,642,000                     | 100.0      |

Table 2 shows the fiscal year 1994 distribution of the appropriations request among major commands in the United States and overseas.

TABLE 2.—PROPOSED FISCAL YEAR 1994 MILITARY CONSTRUCTION, ARMY, PROGRAM COMMAND SUMMARY

| Command                               | Fiscal year 1994— |                     |
|---------------------------------------|-------------------|---------------------|
|                                       | Cost              | Percentage of total |
| <b>Inside the United States:</b>      |                   |                     |
| Forces Command .....                  | \$239,241,000     | 30.8                |
| Training and Doctrine Command .....   | 180,800,000       | 23.3                |
| Army Materiel Command .....           | 167,300,000       | 21.5                |
| Army Pacific Command .....            | 18,600,000        | 2.4                 |
| U.S. Military Academy .....           | 13,800,000        | 1.8                 |
| Military District of Washington ..... | 7,660,000         | 1.0                 |
| Other .....                           | 3,000,000         | 0.4                 |
| Total .....                           | 630,401,000       | 81.2                |
| <b>Outside the United States:</b>     |                   |                     |
| Army Strategic Defense Command .....  | 21,200,000        | 2.7                 |
| Other .....                           | 3,600,000         | 0.5                 |
| Total .....                           | 24,800,000        | 3.2                 |
| Total major construction .....        | 655,201,000       | 84.4                |
| <b>Worldwide:</b>                     |                   |                     |
| Planning and design .....             | 109,441,000       | 14.1                |
| Minor construction .....              | 12,000,000        | 1.5                 |
| Total .....                           | 121,441,000       | 15.6                |
| Total appropriations requested .....  | 776,642,000       | 100.0               |

#### ARMY FAMILY HOUSING

I would now take this opportunity to present the Army's family housing portion of the Military Construction budget request for fiscal year 1994. The family housing program is one of the most important programs in the Army budget.

Adequate housing continues to be one of our top goals. The family housing request reflects the Army's attempt to provide suitable housing for our soldiers and to main-

tain the quality of the facilities entrusted to our stewardship. The family housing program provides quality of life improvements necessary to attract and retain dedicated individuals to serve in the Army, thus attempting to reduce the turbulence in recent force structure actions. We will be facing a changing Army both in the number of personnel we will have to provide housing for, as well as the location of those personnel. With a power projection, predominately continental United States based force, we will require additional housing at our installations in the United States as military personnel return from overseas. In foreign countries, we will be looking to keep adequate government controlled housing, using the leasing program to provide flexibility to field commanders during the draw down process, and helping personnel find economy housing as required. The fiscal year 1994 family housing budget request for appropriations and the accompanying authorization of appropriations request is for \$1,343,886,000.

#### HOUSING PROGRAM ACCOUNTS

The Army Family Housing budget request includes resources for a new construction program in fiscal year 1994, a modest revitalization program for our aging housing inventory, planning and design of future construction projects, and funding of the majority of the annual costs of operating, maintaining, and leasing housing units for military families. This request provides resources to slow the deterioration of the existing inventory at enduring United States installations. Table 3 summarizes each of the categories of the Army Family Housing program and the percent of the total request for each category.

TABLE 3.—ARMY FAMILY HOUSING FISCAL YEAR 1994 BUDGET SUMMARY  
[Facility category summary]

| Facility category                   | Fiscal year 1994— |            |
|-------------------------------------|-------------------|------------|
|                                     | Appropriations    | Percentage |
| New construction .....              | \$138,950,000     | 10.3       |
| Post acquisition construction ..... | 67,530,000        | 5.0        |
| Planning and design .....           | 11,805,000        | 0.9        |
| Operations .....                    | 187,157,000       | 13.9       |
| Utilities .....                     | 281,348,000       | 20.9       |
| Maintenance .....                   | 388,528,000       | 29.0       |
| Leasing .....                       | 268,139,000       | 20.0       |
| Debt interest .....                 | 17,000            | <0.1       |
| Debt principal .....                | 412,000           | <0.1       |
| Total .....                         | 1,343,886,000     | 100.0      |

#### NEW CONSTRUCTION

The Army's new construction program provides family housing where additional housing is required to help satisfy a validated housing deficit, or provides for replacement of housing where it is more economical to replace current housing than to renovate.

Army policy directs that the first source for providing family housing will be the civilian community. The concept of the Variable Housing Allowance (VHA), funded in the Military Personnel Army appropriations, supports this policy. At Army installations where off-post housing is not available, too costly, or substandard, the Army must take positive steps to provide adequate housing for military families. New construction for deficit reduction is programmed only when these conditions exist, and it is the most economical alternative.

This year we have requested 433 units at two locations to reduce current family housing deficits. We are requesting 213 units for personnel assigned to Schofield Barracks, Oahu, Hawaii. This is one of the highest, if not the highest, cost area in the United States. Another 220 units are requested for Fort Irwin, California, to partially satisfy the deficit at this isolated training installation. In addition to these two locations, we are requesting an additional 750 units to replace family housing at five locations where it is more economical to replace versus renovate the current housing.

#### POST ACQUISITION CONSTRUCTION

The Post Acquisition Construction program consists of our revitalization program (such as whole-neighborhood revitalization and upgrade of substandard units) to bring units up to contemporary standards. Due to the aging of our inventory, we must continue to place emphasis on this type of work. In doing so, we will protect the government's investment and provide long-lasting benefits to our soldiers and their families. Our investment in family housing continues to play a large role in the revitalization of Army Family Housing. Over the past ten years, we have invested over \$800 million in the housing inventory.

Specifically, this request will provide whole-neighborhood revitalization of 1,122 units and improvements to 3 units. All projects will be at CONUS locations. Included in revitalization are efforts to improve energy conservation and to eliminate environmental hazards. This request continues the initiative that you approved two years ago to revitalize not only the housing unit, but the entire living environment of the military family. This program will provide systematic upgrade and repair of the existing housing inventory, while concurrently improving neighborhood amenities. All projects recommended for this program are based on life cycle economic analyses and are comparable to new construction standards.

#### OPERATION AND MAINTENANCE

The operation, maintenance and utilities programs comprise the majority of the fiscal year 1994 budget request; almost 64 percent. The request provides for the Army's annual expenditures for municipal-type services and utilities. It only partially provides for the maintenance of the existing inventory, which is needed in order to protect the Army's investment and provide stewardship of the family housing inventory. The request includes some funding for major maintenance and repair work, a vital component of our revitalization program, which was not completed in prior years due to insufficient funding. The fiscal year 1994 request continues programs which were in effect during previous years, but only provides minimum resources for our total maintenance and repair requirements when including the backlog.

This budget funds the anticipated requirements for operations and utilities in fiscal year 1994. The request also continues funding for the installation, operation and maintenance of an Army-wide computer system, Housing Operations Management System (HOMES), which is improving many phases of housing management. Due to continued management emphasis and the impact of previously approved energy conservation projects, a reduction in energy consumption has been factored into the utilities request. This budget supports the Army energy conservation goal of a 1.3-percent reduction in overall facility energy requirements. Revitalization of family housing units provides savings in energy, since the energy efficiency of the improved quarters will be comparable to new construction standards. A continuing objective of the operation and maintenance program is the improvement of living conditions for military families throughout the world by accomplishing the annual maintenance and repair of our inventory. However, this budget request will not accomplish all the maintenance and repair work which is needed to meet this objective.

#### REVITALIZATION BACKLOG

The revitalization backlog includes replacement new construction, improvements, major maintenance and repair work, and associated planning and design, which are required to meet DOD criteria, and which were scheduled for accomplishment in a prior fiscal year, but could not be accomplished due to insufficient funding. Foreign currency losses and fiscal constraints since fiscal year 1986 created funding shortfalls which resulted in a significant rise in this backlog. In the short-term, deferring projects is the least difficult way of meeting federal deficit reduction goals and paying for currency losses, but this deferral adds to the backlog of requirements, increases the rate of facility deterioration and increases both the amount of work and associated costs to revitalize or replace required housing in future years. Although the fiscal year 1994 budget does slow the deterioration to the inventory, the revitalization backlog will still be considerable by the end of fiscal year 1994. This has a severe negative impact on our overall program goals.

#### LEASING

The leasing program provides another way of adequately housing our military families. Our leasing program includes Section 2836 (formerly 802) rental guarantee housing, domestic leases, Section 2835 (formerly 801) and temporary domestic, and foreign leases.

We have constructed and are fully occupying a 276 unit Section 2836 rental guarantee project in Hawaii. This project provides some of the additional housing so sorely needed in this area.

We are requesting \$69,815,000 for the domestic leasing program for fiscal year 1994 to fund the existing Section 2835 project requirements and the temporary domestic leases. This will support an average of 5,025 leases in the contiguous United States, Alaska and Hawaii.

One of the larger portions of this budget presentation is the foreign leasing program. For this program, we request \$198,324,000 in fiscal year 1994. This will support an average of 14,089 units to be occupied during the fiscal year. This is a reduction of \$69,062,000 from the fiscal year 1993 appropriation, and reflects decreased stationing requirements in Europe. The program also continues to support execution of the Government Rental Housing Program (GRHP) in Europe. Under this program the Army leases directly with European landlords and pays all lease costs while our soldiers forfeit all housing allowances. The soldiers then stay in these leased units for their entire tour and are relieved of the high out-of-pocket expenses associated with renting on the economy in Europe. We found that soldier morale is improved and there is no additional cost to the government since monies that would have been paid in housing allowances from the Military Personnel, Army (MPA) account are now transferred to the housing leasing account. Also, the GRHP leases will help in the orderly reduction of soldiers in Europe by providing flexibility to Commanders to shift leases from location to location or cancel leases no longer required.

Our total leasing program request supports an average of approximately 19,100 units in fiscal year 1994 to satisfy requirements in the United States, Europe, Korea, Panama, and other locations. These are our high priority locations where providing flexible family housing solutions is essential to improving the quality of life of our soldiers.

#### HOMEOWNERS ASSISTANCE PROGRAM

The Army is the executive agent for the Homeowners Assistance Program. This program provides assistance to homeowners by reducing their losses incident to the disposal of their homes when the military installations at or near where they are serving or employed are ordered to be closed or the scope of operations reduced. The fiscal year 1994 request is for appropriations and authorization of appropriations of \$151,400,000.

This request includes known requirements prior to any additional base realignments and closures. The request will provide assistance to personnel at approximately 14 locations that are impacted with either a base closure or a realignment of personnel resulting in adverse economic effects on local communities. The Homeowners Assistance Program is funded not only from the resources being requested in this budget, but is also dependent in a large part on the revenues earned during the fiscal year from sale of properties. Any additional base realignments or closures due to Base Closure law will incur an additional requirement in the Homeowners Assistance Program.

Currently, a Request for Proposals (RFP) to use a private national relocation contractor for the management and resale of homes acquired under the Homeowners Assistance Program was issued in January for Loring AFB, Maine; New London, Connecticut; and Portsmouth Naval Shipyard, New Hampshire. A pre-proposal contract meeting was held in February with a contract award anticipated in the April 1993 time frame.

We awarded management-maintenance contracts to local companies at all other installations with an approved Homeowners Assistance Program. Most of the management-maintenance contracts give the contractor the responsibility for the security and maintenance of the property and also provide the contractor with exclusive listing privileges for the sale of the homes. The resale of homes at Chanute AFB, Illinois; Castle AFB, California; and Wurtsmith AFB, Michigan, however, is being performed by the United States Army Corps of Engineers Districts.

#### REAL PROPERTY MAINTENANCE ACTIVITIES

I would now like to talk about another important source of resources in support of the Army's facilities, the Real Property Maintenance Activities (RPMA). The appropriation for these funds is provided as a part of the Defense Appropriations Bill.

#### RPMA ACCOUNTS

RPMA is a major program with four major functional accounts—Operation of Utilities, Maintenance and Repair of Real Property, Minor Construction, and Engineer

Support. RPMA reflects the cost to operate and maintain the Army's Physical Plant. Following is a list of these functions:

**Operation of Utilities**—includes the procurement, production and distribution of all utilities, such as electrical energy, steam, hot water, fuels, utilities and water. This area also includes the operation of Army-owned utility systems and plants.

**Maintenance and Repair of Real Property**—pays to maintain areas such as the utilities systems, buildings, grounds, railroads and other surfaced areas.

**Minor Construction**—funds projects under \$300,000, such as the erection, installation and assembly of a new real property facility. Additions, expansions, extensions, alterations, conversions or replacement of an existing real property facility are also funded from the minor construction account. Additionally, the relocation of a real property facility from one installation to another would be paid for from this account.

**Engineer Support**—funds services normally provided by municipal governments. Support services such as fire prevention and protection, refuse handling and disposal, and snow and ice removal are provided within this account. Other services provided include facilities engineering management, rental of real property and real estate administration, pest control services, master planning, and supervision of the Director of Engineering and Housing Staff.

#### SOURCES OF RPMA FUNDING

RPMA is the single largest component of installation operating costs. The several appropriations which finance installation operations include RPMA funds: Operation and Maintenance, Army; Operation and Maintenance, Army National Guard, Operation and Maintenance, Army Reserve; Research, Development, Test and Evaluation; Defense Business Operations Fund. RPMA is augmented by reimbursable customers (Army and other Department of Defense tenants), nonappropriated fund activities, and host nation support. Additionally, the Defense Real Property Maintenance appropriation, established in fiscal year 1992 provides funds specifically earmarked for major repair and minor construction projects in excess of \$15,000.

#### BACKLOG OF MAINTENANCE AND REPAIR

When we cannot fund the annual recurring maintenance and repair requirements, the result is a Backlog of Maintenance and Repair (BMAR). The BMAR is defined as an aggregation of major maintenance and repair projects that were planned for accomplishment in previous fiscal years but were not accomplished due to lack of resources. The BMAR projects are routinely revalidated at least once each three years and on occasions more often.

There are several ways to reduce BMAR. By funding and completing outstanding maintenance and repair projects, we remove them from the backlog list. The requirement is also removed by accomplishing a new construction project and removing an older facility from the inventory. Another way we reduce BMAR is by deactivating or demolishing the facility requiring maintenance and repair work or by closing all or part of the installation. However, BMAR cannot truly be reduced unless the annual recurring maintenance and repair requirements are fully funded and additional funds are applied against backlog requirements. This will not happen in fiscal year 1994.

The BMAR is an indicator of the condition of our Real Property Assets. A high level of BMAR indicates a poor condition of facilities, and this will impact on the living and working condition of the soldier and his family. It will also result in a more rapid deterioration of facilities, some of which will then be in violation of environmental compliance laws and require immediate repair at a significantly higher cost. Poor facilities conditions can have a direct impact on force readiness. At the start of fiscal year 1993, the BMAR for the Army was \$2,767 million. Based on current funding projections, the BMAR is projected to grow to \$4,773 million at the end of fiscal year 1994.

#### BMAR IMPACT ON REVITALIZATION

Revitalization of the Army's physical plant is defined as the systematic replacement or renovation of the Army's real property facilities to current standards for mission accomplishment and physical condition. As I mentioned earlier, the funding sources for Army revitalization are primarily the OMA and MCA appropriations. Research, Development, Test and Evaluation; Nonappropriated Fund and private sector financed facilities (3rd party arrangements) also support revitalization of utility plants, the industrial base and other associated Army facilities. Revitalization funds basically come from either major maintenance and repair projects or "current mis-

“sion” construction projects (MCA). In fiscal year 1994, we have requested \$969 million to fund these two areas.

The major maintenance and repair projects provide revitalization through renovation of existing facilities while construction provides revitalization by building new facilities or complete modernization of current assets. Coupled with efficiency and productivity enhancements, innovative business practices, and some financial flexibility from Congress, full funding of our RPMA requirements and BMAR reduction funding could begin a slow but steady decrease in the backlog.

#### SUMMARY

In summary, the fiscal year 1994 requests for appropriations for Military Construction Army, Army Family Housing, and Homeowners Assistance Program is \$2,271,928,000. With approval of this request we will continue to: provide safety, health and environmental compliance facilities; provide additional adequate housing for soldiers; meet statutory and regulatory requirements; and repair essential facilities. This request will provide for family housing leasing, and operate and minimally maintain the current inventory. The Homeowners Assistance Program request will also show our personnel that even in these times of change, we will assist personnel who are adversely affected by our actions. Approval of this request will provide some minimum revitalized facilities infrastructure with the environmental and safety requirements.

#### PART II—MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

Next, I will present the Army National Guard’s (ARNG) Military Construction Program for fiscal year 1994.

Today, the Army National Guard (ARNG), “the Army on Call,” has taken on new responsibilities. Our Guard is now manned with higher quality soldiers, trained and equipped to a higher degree of readiness, and modernized to a greater extent than ever before in its 356 year history. The Army’s Total Force policy and the resources provided by Congress have made this progress possible. The lessons learned and our experiences from participation in Operation Desert Storm have heightened our intense commitment toward combat readiness and supporting our “Citizen Soldiers” and their families.

As a result of the programmed decline in defense spending, the Active and Reserve components are exploring options in which the Total Force can retain and improve its versatility, deployability and decisive capabilities to meet the defense needs of our nation as we move into the 21st century. The ARNG has proven to be, dollar for dollar, cost effective in performing its state mission of providing military support to civil authorities and its Federal mission of deterring war or helping to bring our armed conflicts to decisive victory.

Dramatic improvements to the ARNG over the last ten years have impacted on the quantity and quality of our facilities and training installations. The ARNG continues to receive new and complex high technology equipment. However, our facilities and training assets were built during a previous era, which did not require the size, sophistication or complexity demanded today and in the future. Our challenge is to provide the modern facilities and training assets to meet those demands by:

- Upgrading facilities to support ARNG units with early deploying missions.
- Modernizing facilities to support new and existing ARNG units.
- Reshaping existing facilities to accommodate the larger and more sophisticated modern equipment available to the Total Force.

#### MILITARY CONSTRUCTION PROGRAM REQUEST—FISCAL YEAR 1994

Our fiscal year 1994 military construction request of \$50.8 million includes \$45.3 million for Major Construction, \$5 million for Unspecified Minor Construction, and \$0.5 million for Planning and Design.

Major Construction consists of the following categories of projects: 10 range projects; 7 training site improvement projects; 4 surface maintenance projects; 4 Armory projects; 1 logistic/supply project; and 1 aviation support project.

#### FACILITIES SUPPORT FOR CONTINUED IMPROVEMENT IN THE 1990’S

For the ARNG to maintain the high state of readiness developed during the 1980’s and early 1990’s, it is critical that our manpower, equipment, and facilities be modernized, maintained, and intensively managed. Currently, the ARNG provides 43 percent of the combat force structure, 34 percent of the combat support structure and 25 percent of the combat service support structure of the total Army force. All

of these forces will be used in their wartime missions to support the Commanders-in-Chief (CINC's) when called upon.

*Force structure.*—In recognition of the fact that the future of the ARNG requires changes to force structure and changing missions, facility requirements need to be closely evaluated to ensure adequate facilities are available and can support unit reorganizations and redistribution of assets. Changes in end strength and realignment of the force structure over the past decade severely overtaxed the existing armory inventory, resulting in a requirement backlog of \$767 million to correct deficiencies at approximately 455 armories. This represents only the most urgent needs of the total armory backlog because it does not include requirements to modernize obsolete facilities caused by aging or constraints to expansion.

*Readiness and early deploying units.*—Adequate facilities are essential to improve training, accommodate increasing levels of equipment, and readiness.

*Training.*—For our Citizen-Soldier, the most critical element is time. This means we must provide training facilities closer to the units and maximize the training opportunities at our existing training sites. Training opportunities have greatly expanded with the use of local, regional, national and joint training areas and centers. The use of high technology training equipment and training simulators enhance our abilities to make maximum use of limited resources.

*Range modernization.*—Our range modernization initiative, incorporating new range concepts, state-of-the-art target systems and Army training doctrine, continues. The ARNG range program modernizes and standardizes the type and quality of training at our training sites. The systems employed at our major training sites are more complex and more costly to construct than the older, fixed position ranges. These new ranges permit us to train more troops in less time and result in improved weapons proficiency. Our goal is to provide modern ranges that can accommodate the individual soldier through combined arms training opportunities for our combat units.

The ARNG has a backlog of 140 additional live-fire ranges, at an estimated cost of \$192 million. These include state-of-the-art Modified Record Fire, Automated Record Fire, Multipurpose Machine Gun, Tank Gunnery, and Known Distance ranges.

*Regional training centers.*—In partnership with the Active Component and the Army Reserve, the ARNG has established regional training sites to provide specialized training not available at home stations. These include the Regional Training Site—Maintenance, the Regional Training Site—Medical, and other specialized training on a regional basis, in order to reduce precious time lost to travel and increase the efficiency of limited training time.

*Equipment readiness.*—The Department of the Army continues to modernize the ARNG to include fielding of the Hawk Air Defense System, Multiple Launch Rocket System, M-1 Abrams Tanks, Bradley Fighting Vehicles, and Heavy Expanded Mobility Tactical Trucks.

Requirements to maintain and manage this equipment in a go-to-war state of readiness places greater demands on our surface maintenance support. We are facing this challenge by systematically improving and modernizing our maintenance facilities. The new maintenance facilities require larger workbays to handle the larger equipment, more supply rooms and expanded equipment parking areas. These improvements enhance the quality of life for the full-time work force by providing efficient, well lighted, properly equipped, safe and environmentally sound facilities. New equipment wash platforms and consolidated storage areas at our training equipment sites will reduce the time required for turning in the equipment used during weekend and annual training sessions and comply with environmental requirements.

*Aviation support facilities.*—Army aviation modernization is providing the ARNG with new rotary and fixed-winged aircraft to replace our older era aircraft. Adequate modern facilities are required to support operations, maintenance and training of aviation units. Additionally, these facilities permit us adequate space to safely park, maintain and secure our high dollar aircraft assets and equipment inventory. There are currently 107 existing aviation-type facilities and a requirement for 83 more.

#### REAL PROPERTY MAINTENANCE

Let me now turn to an issue that gravely concerns me, the operation and maintenance of our physical plant. The replacement value of all our facilities exceeds \$13 billion. Their average age is 32 years. As stewards of the taxpayer, we take care of these facilities using the limited resources in our Real Property Maintenance Activity accounts, as authorized and appropriated by Congress.

We do so, however, in a way appropriate to our unique Federal/State status. The National Guard Bureau does not own, operate or maintain the majority of these facilities. The states, territories, and commonwealths do, on our behalf. In return, we utilize separate Cooperative Funding Agreements with each of the 54 states, territories, and commonwealths to transfer them money you have authorized and appropriated for this purpose. This money then goes for those critical training, aviation and logistical facilities designated for support on the Federal Installation and Stationing Plan. For many of the logistical facilities, the states, territories, and commonwealths must contribute 25 percent of the cost of maintenance and repair.

The states, territories, and commonwealths also pay the utility bills, hire and reimburse the employees necessary to operate and maintain these facilities, buy the supplies necessary for maintenance, and contract for renovation and construction projects and for required operational and maintenance services and equipment. They also lease facilities when the military construction program has not kept pace with training and logistical requirements.

The State Facility Management Offices are making a herculean effort to operate and maintain all of our facilities. They do so for three dollars a square foot this current fiscal year. They scrimp, they save, they cross-level personnel; but even as they keep the facilities open, they are falling behind. Using standard engineering work standards, they should have almost 9,000 employees; there is money for only 2,300. As a result, the backlog of maintenance and repair is skyrocketing. It is \$111 million now, it will be almost \$100 million more in fiscal year 1995, and almost \$300 million by the end of the decade.

#### SUMMARY

The Army National Guard continues to be an important part of the Total Army Force. Our ability to maintain this position has been made possible through the resources made available to us by the Army and Congress. Facilities constructed during the last decade have played major roles in meeting force structure changes, accomplishing realistic and quality training, maintaining readiness and improving the quality-of-life for our Citizen-Soldiers. Until finalization of the force drawdown, our program does not address the problem of construction backlog reduction, unit mission or readiness requirements. However, today's challenges are not insurmountable and the ARNG will continue to provide "Facilities of Excellence" within the resources available.

#### PART III—MILITARY CONSTRUCTION, ARMY RESERVE

In fiscal year 1994, the Army Reserve construction program is characterized by many unique factors that magnify the challenge of meeting today's requirements. Reserve construction requirements differ from those of the Active component because of the decentralized nature of the reserve forces. Army Reserve communities serve as the initial location from which we will successfully project and sustain our trained and ready troops to support the National Military Strategy and serve the broadest possible national security interests. Facilities must provide a top quality environment in which the Citizen-Soldier works and trains, as well as a symbol of community pride in the Army. Our Reserve centers must be located in or near the civilian communities where our Citizen-Soldiers live and work. Additionally, Reserve centers are generally smaller and more specialized, and they must be planned and constructed in areas of the country experiencing population growth. The Army Reserve does not bring recruits to large established bases, rather, we follow the people and the talent in order to optimize recruitment and mission accomplishment. Because of migration trends away from the northeast and midwest states to the south and southwest, location of our higher priority projects are reflected in the request we present today.

A large part of the existing Army Reserve physical plant inventory is in need of repair. There are now approximately 1,460 centers, along with maintenance facilities owned or leased by the Army Reserve. Included in these facilities are 852 government-owned and 608 leased centers. Many of these facilities were constructed or acquired during an era in which very little equipment was issued to the Army Reserve, and we had only one or two full-time personnel working at each Reserve center. As a result of the increased equipment storage requirements, significant over-crowding has resulted at many Army Reserve centers. Our older facilities continue to serve us well.

Another characteristic of the Army Reserve's facility posture is a \$1.9 billion backlog of known construction requirements. This backlog results from some of the factors already mentioned, e.g., age of existing facilities, growth and changes in the units that occupy them. In addition, you should be aware that over the period 1982-

1992, the Army Reserve experienced a 20.7 percent growth in end-strength from 257,000 to approximately 302,000. During the same period there were 1,182 Army Reserve unit activations and conversions. As a result, 33 percent of the Total Army's corps aviation, 97 percent of its civil affairs strength, 79 percent of its PSYOPS capability, and 24 percent of its special operations forces are now found in the Army Reserve. The DOD budget, which projects the Army Reserve at 242,000 in 1995, would suggest that a smaller force would provide some relief for the construction backlog. This will be the case only at some locations. With the unique facilities requirements of the PSYOPS, civil affairs and corps aviation units, along with new missions, the construction requirements will not be reduced as much as one would perceive. Also, as the force is reduced, a logical cost saving action would be to relocate units from the older facilities that require extreme maintenance to newer facilities that would be underutilized as a result of force reductions.

Since 1982, the dedicated procurement program has brought \$1.2 billion worth of new equipment (or 35 million major end items) to the Army Reserve. Consequently, we need to construct more storage and maintenance facilities. All of these factors have contributed to the large construction backlog. However, the general need for new construction will remain great. We realize that rehabilitating or constructing new facilities everywhere is unrealistic, and that some inefficiencies and overcrowding will continue to occur. Because of the critical role facilities play in the retention and training of Reserve soldiers, we will continue to give the improvement of our physical plant our highest priority.

During the preparation of the U.S. Army Reserve's Long-Range Plan 1993-2023, we explored new visions on Army Reserve facilities acquisition and usage. This plan incorporates our concerns with required Army Reserve facilities, keeping up with distinct demographic population changes, and the accelerating costs of leasing facilities.

Five long-range goals have been developed to improve the facilities posture of the Army Reserve. Meeting these goals will significantly strengthen our ability to meet the national military strategy.

(1) Obtain resources and utilize innovative means to gain economies of scale. Plan to consolidate units and facilities where feasible. Alter existing government-owned properties to reduce acquisition costs.

(2) Use portions of Active or Reserve Component assets to establish consolidated regional support hubs. Evaluate and determine cost savings to be achieved.

(3) Eliminate or reduce significantly the construction backlog by lowering the cost of facility acquisition. Obtain facilities by utilizing modular design systems and emerging technologies.

(4) Ensure efficient operation, timely maintenance and safeguards against health and safety hazards while concurrently providing creature comforts and aesthetic qualities that help attract and retain young men and women to serve as "Citizen-Soldiers."

(5) Develop a comprehensive program of maintenance and repair that not only responds to routine maintenance needs, but seeks to improve all aspects of the environment in which the soldier serves.

Regardless of which scenario occurs, it is readily apparent that with approximately 58 percent of required facilities in the inventory, the Army Reserve requires new initiatives to obtain required facilities.

Based upon the Army's commitment to help resolve Army Reserve facility shortage problems, we have been working closely with the Total Army Basing Study team reviewing proposed base closure and realignment alternatives. We are also working with the Air Force and Navy staffs to ensure that our requirements are incorporated into their closure and realignment implementation plans.

We also work each year with the Commanders of U.S. Forces Command, U.S. Army Pacific, and U.S. Army Special Operations Command to develop and establish future year construction program priorities. We have also been working closely with the United States Army Reserve Command, located in Atlanta, Georgia. The Reserve Command has been exceptional in enabling us to manage our military construction program and to optimize use of available financial resources. The Reserve Command helps us consider what facilities requirements are needed to adequately support those units in both today's force structure and tomorrow's. As specific projects are developed, we work closely with the units involved to ensure the facilities meet their immediate needs and also provide for future expansion.

*Fiscal Year 1994 Requests.*—The construction program reflects constrained resources and represents our highest priority projects. The Military Construction, Army Reserve program, consists of Major Construction, Unspecified Minor Construction, and Planning and Design. The fiscal year 1994 program includes:

(1) Major Construction, which provides for new construction, acquisition, expansion, rehabilitation, and/or conversion of facilities for the training and administration of the Army Reserve. This request includes construction of five new Reserve centers; one addition/alteration to a Reserve center that has an Organizational Maintenance Shop and an Area Maintenance Support Activity (Marine) facility; one Land Acquisition; and construction of one Battle Projection Center. The requested amount for major construction is \$75.2 million.

(2) Unspecified Minor Construction provides for projects not otherwise authorized by law, having a funded cost not to exceed \$400,000. Unspecified Minor Construction includes construction, alteration or conversion of permanent or temporary facilities. This program provides the means to accomplish projects that are not now identified, but that may arise during fiscal year 1994 to satisfy critical, unforeseen mission requirements, e.g., the arrival and redistribution of equipment. Unforeseen and urgent environmental requirements to meet state and federal laws are also typical projects that must be accomplished. The requested amount for Unspecified Minor Construction is \$2.1 million.

(3) Planning and Design provides for design of necessary construction projects that support the Reserve mission. Activities in this category include preparation of engineer drawings and specifications necessary to support projects to be constructed as part of the Military Construction, Army Reserve (MCAR) program. To adequately provide for future MCAR and fiscal year 1994 Minor Construction and designs, \$4.9 million is requested for the Planning and Design program.

The fiscal year 1994 request is for the authorization/appropriation of \$82.2 million, which includes Major Construction, Unspecified Minor Construction, and Planning and Design. If it is not provided, facilities beyond their useful life will continue to deteriorate. Security problems, low retention and lost training space are the by-products of poor facilities. Failure to provide funding at this level now will guarantee greater costs later.

I would now like to talk about another important source of resources in support of the Army Reserve facilities, the Operations and Maintenance, Army Reserve (OMAR) authorization; specifically, the resources for Real Property Maintenance Activities (RPMA) and Environmental Compliance.

*Real Property Maintenance.*—The replacement value of all of our facilities exceeds \$3.7 billion. Their average age is over 30 years. As stewards of the taxpayers, we proudly take care of these facilities using the limited resources in our OMAR Real Property Maintenance Activity account, as authorized and appropriated by Congress. With the dollars from this appropriation, the Army Reserve accomplishes the task of operating facilities which includes repairing and performing preventive maintenance on them. Our facility managers at the Reserve centers are to be commended for the outstanding job they do keeping the centers operational. Even though they are able to keep the facilities open, we are falling behind in maintaining them. The Backlog of Maintenance and Repair is continuing to rise. The BMAR was \$93.4 million at the beginning of fiscal year 1993; it will be almost \$121.5 million at the end of fiscal year 1993.

*Environmental Compliance.*—Along with the increasing demand for maintenance funding, environmental compliance requirements under the Clean Water Act have placed demands on the resources authorized and appropriated for the Army Reserve. The environmental compliance funding requirements have increased from \$5.5 million in fiscal year 1990 to \$11.6 million for fiscal year 1991 and \$19.0 million for fiscal year 1992. Fiscal year 1993 requirements are expected to exceed \$19 million.

#### SUMMARY

You have helped us build fine facilities. We should not construct multi-million dollar facilities and allow them to fall into ruin for lack of maintenance funding. Such an investment in maintaining facilities is prudent and must be done if we are to use federal funds effectively. As a good neighbor in each of the 1,300 plus communities across the country, the Army Reserve cannot and will not fail in complying with environmental laws even if sacrifices have to be made.

In summary, while the uncertainties that exist in the world today will present challenges in the years ahead, I remain entirely confident that the men and women of the Army Reserve, when they are properly resourced and trained, can and will continue to do their jobs and accomplish their missions. Congress has our gratitude for the support it has given and continues to give the Army Reserve.

#### PART IV—ARMY BASE REALIGNMENT AND CLOSURE (BRAC) INITIATIVES

Next, I will review the base realignment and closure (BRAC) initiatives currently underway in the Army. As you are aware, OSD has forwarded a list of recommendations to the BRAC 93 Commission for consideration. The BRAC 93 Commission recommendations will not be finalized until later this year. My remarks concerning BRAC will not address any of those actions. I will restrict my comments to the following four BRAC initiatives: BRAC I, BRAC II, BRAC III and BRAC 91. The distinctions are as follows:

*BRAC I.*—BRAC I refers to the realignments and closures resulting from the 1988 Commission, as codified in Public Law 100-526. The Commission's recommendations, as they affected the Army, required that the closure of 77 installations (including 53 stand-alone housing sites) and realignment of 57 other Army installations be completed by September 30, 1995. The Commission's recommendations were based on requirements as projected in December 1988. The Commission's recommendations began a long overdue streamlining of the base structure of the Army and focused primarily on installations, and not on force structure. Their overall recommendations provided the Army a baseline to restructure the installation requirements of what in the future would be dramatically altered troop levels.

*BRAC II.*—BRAC II refers to the Service Secretaries' proposals for additional realignments and closures, as announced by the Secretary of Defense on January 29, 1990. The 1988 Commission's recommendations (BRAC I) aligned known requirements in 1988. BRAC II reflected the Army's initial transition into a smaller force, as reflected in the Army's fiscal year 1991 budget submission and changes in the threat environment and fiscal realities. BRAC II did not reflect, and was not intended to reflect, the pace of change in Eastern Europe, which occurred following the fall of the Berlin Wall on November 1, 1989. Rather, BRAC II was the mid-term transition into the smaller force, which was reflected in full scope in the fiscal year 1992/93 budget. BRAC II proposals that triggered the thresholds of 10 U.S.C. 2687, and were subject to the base realignment and closure process mandated by Public Law 101-510, were not pursued. All other actions are complete or currently being executed.

*BRAC III.*—At the time that the first base realignment and closure (BRAC) proposals were announced, Congress expressed concern that they did not include OCONUS installations. OCONUS installations were not included in BRAC II because Conventional Forces Europe (CFE) Treaty negotiations were expected to cover European force structure. Subsequently, force structure was removed from the CFE treaty, which only addressed the reduction of certain types of military equipment.

On September 18, 1990, the Secretary of Defense announced the first round of overseas bases to be returned to host nations. These OCONUS announcements subsequently became known as BRAC III within the Army and should not be confused with the 1993 round of BRAC Commission recommendations for CONUS. Follow-on OCONUS closures and realignments have continued with this terminology. To date, ten rounds of BRAC III have been publicly announced. BRAC III is the Army transition vehicle to a smaller force overseas. Additional OCONUS closures will occur to reflect the continuing drawdown of forward deployed Army forces.

*BRAC 91.*—Public Law 101-510, the National Defense Authorization Act for Fiscal Year 1991, established a new process for DOD base realignment and closure actions in the United States through 1995. The first phase of this new process is referred to by the Army as BRAC 91.

The process applies to closures or realignments that trip the thresholds of 10 U.S.C. 2687. These thresholds are reached when the installation proposed to be closed is authorized to employ at least 300 direct-hire, permanent civilian personnel, or where a proposed realignment of an installation that is authorized to employ at least 300 civilians would be reduced by more than 1,000, or by more than 50 percent (whichever is less), of the number of authorized civilian employees. The Act directed the formation of an independent Defense Base Closure and Realignment Commission to review base realignment and closure recommendations made by DOD. All DOD recommendations are made based on a force structure plan submitted as part of the fiscal year 1992/94/96 budgets, as well as selection criteria, which are published in the Federal Register; receive public comment; and are submitted for congressional review. The law requires the Commission to convene in calendar years 1991, 1993 and 1995 (hence, the terminology of BRAC 91, BRAC 93, BRAC 95).

This legislation also required the Army to cancel the base closures announced under BRAC II, which exceeded the 10 U.S.C. 2687 thresholds. All future proposals through fiscal year 1995 that breach the 10 U.S.C. 2687 limits will be referred to the commissions established by the legislation. The new legislation did not affect the execution of base closure initiatives mandated under Public Law 100-526 (BRAC I).

except for changes forwarded to the Commission for approval, those actions that do not exceed 10 U.S.C. 2687 thresholds, or those which occur outside the Continental United States (BRAC III). The Army is currently implementing the recommendations of the fiscal year 1991 Commission.

With this background of the various base realignment and closure initiatives underway in the Army—BRAC I (Public Law 100-526), BRAC II (January 29, 1990 proposals), BRAC III (OCONUS), and BRAC 91 (Public Law 101-510)—the following sections will update the Army's implementation and execution of each of the BRAC initiatives.

#### PRINCIPLES GOVERNING ARMY BASE REALIGNMENTS AND CLOSURES

The Army is guided by a number of basic principles. During a time of transformation, they have been the cornerstone and provided great assistance in the decision-making process for the various base realignment and closure recommendations. These principles are:

1. Provide power projection platforms from which the Army can execute the national military strategy to project forces beyond our borders anywhere in the world with little advance notice.
2. Pursue closures, realignments and consolidations where they make good sense over the long term as cost-effective alternatives to existing basing.
3. Identify excess capacity for closure, consolidation and realignment created by combinations of reduced workload, management initiatives, budget reductions and lower troop strength.
4. Provide training and readiness support and services in the most cost-effective, responsive, and efficient manner possible.
5. Preserve the mobilization capacity for the active and reserve components to assemble, concentrate, train and deploy reinforcing forces and formations.

For BRAC I, II and III, these were our guiding principles. For BRAC 91, these principles were reflected in the selection criteria published in the Federal Register on both November 23, 1990, and February 15, 1991.

#### COMMITMENT TO BASES PROPOSED FOR REALIGNMENT OR CLOSURE

The Army continues to be keenly aware of the inherent hardships which accompany base closures and realignments, not only to our own soldiers, civilian employees, and their families, but to the surrounding communities and states in which these installations are located. We work hand-in-hand with the OSD, Office of Economic Adjustment, and state and local redevelopment committees and officials in an effort to minimize hardships to the extent possible.

To help partially alleviate the hardships in this process, the Army will continue to be sensitive to the needs of the workforce at all affected installations. We fully understand the dilemma facing each civilian employee. It has been long-standing Army policy to provide placement assistance and to make all reasonable efforts to fund continued employment for affected employees.

Army civilian employees who lose their jobs as a result of base realignments or closures will continue to be given priority rights to other vacant positions in DOD and in other Federal agencies. They also will be given assistance in locating jobs in private industry if they so desire. The Army cooperates with the Department of Labor and state employment services to enhance the assistance given to employees who desire to relocate to new positions outside of DOD.

Mitigation of the impact on affected state and local communities is of paramount importance when base realignments and closures are announced. The very words "base closure" incite the full range of emotions from anger to fear to uncertainty for both Department of Defense personnel and the local community. Rarely does it instill a sense of opportunity. Based on historical experience from previous base closures, however, we know such opportunity indeed exists. This negative perception can and must be turned around; but to do so requires an intensive campaign by local communities to market the possibilities for base redevelopment by other Federal agencies, state and local governments, and most especially the private sector. Many communities have successfully converted former military bases to both public and private enterprise uses. The reuse plan for the Kapalama Military Reservation in Hawaii is an excellent example of military and local officials developing an alternative use for an Army installation affected by BRAC. The redevelopment conferences, sponsored by the Army and the DOD Office of Economic Adjustment for BRAC 91 affected communities, is another example of the effort to assist the local communities impacted by BRAC actions. The Army has held eleven of these conferences to assist the communities around four BRAC 91 closing installations and three BRAC 91 realigning installations. These conferences have proven to be highly

successful. Normally chaired by a local member of the U.S. Congress, they bring together all the key players who will participate in the alternative redevelopment planning for the closing or realigning installation.

#### ENVIRONMENTAL COMPLIANCE AND RESTORATION

The Army continues its commitment to compliance with all environmental statutes. We anticipate expending over \$539.1 million in BRAC I and BRAC 91 for Army-wide environmental compliance and restoration to comply with existing regulatory laws in executing base closure and realignment recommendations. The Army is continuing studies in accordance with its Installation Restoration Program (IRP) to identify contamination at installations that will be closed. These actions are ongoing for BRAC I, BRAC II, and BRAC 91 installations. The essential steps of the Army's IRP are:

*Preliminary Assessments/Site Investigations (PA/SI).*—This step examines existing documentation on an installation for evidence of any handling, treatment, storage or disposal of hazardous materials/wastes. Interviews are held with past employees to supplement documentation, and a visual inspection of the site takes place.

*Remedial Investigation/Feasibility Study (RI/FS).*—If the PA/SI step concludes that hazardous materials/wastes might have been handled, treated, stored or disposed on the installation, then samples of soil, surface water and ground water will be taken and analyzed to confirm or discount any contamination. If contamination is confirmed, the feasibility study will analyze alternatives for remediating the contamination.

*Record of Decision (ROD).*—This formal document selects the alternative among those analyzed in the feasibility study as the methodology to remediate the site.

*Remedial Design/Remedial Action.*—This step performs any design necessary and implements the selected alternative to remediate the site.

*Statement of Condition/Finding of Suitability to Transfer.*—This document is prepared by the U.S. Army Environmental Center and provides an environmental condition of property that is being considered for disposal.

The Army will ensure that environmental contaminants, either migrating in the ground water or present in the soils, are treated, contained, eliminated or managed to comply with human health or environmental standards. The Army's cleanup goal is to accomplish land disposal actions with no restrictions based on the property's designated future use.

#### ENVIRONMENTAL COMPLIANCE AND RESTORATION FOR OCONUS BASES

The Army has developed an OCONUS environmental restoration protocol for application at those sites to be vacated and returned to the host country. Ongoing review of the OCONUS disposal process confirms there is no need to establish a base closure account or defense environmental restoration account to fund OCONUS closures. Consequently, environmental restoration overseas is funded from the Army's Operation and Maintenance account.

An Environmental Status Report (ESR) is prepared for each installation that is to be turned over to the host nation. The ESR will document the environmental conditions at the installation and will be developed from known information, and generally not through new studies. The ESR would also contain a determination of the significance of the environmental impacts associated with the turnover of the installation to the host nation, and whether any further analysis must be prepared in connection with the installation turnover. The ESR would be used by U.S. negotiators during residual value negotiations with the host nation. Negotiations to date have not indicated a need for an alternative environmental document.

The following sections of this testimony provide a status report on the Army's implementation and execution of each of the base realignment and closure (BRAC) initiatives—BRAC I, BRAC II, BRAC III and BRAC 91.

#### BASE REALIGNMENT AND CLOSURE I (BRAC I): IMPLEMENTATION STATUS

*BRAC I Overview.*—This initiative is progressing smoothly and is on-track. The Army is executing the Commission's recommendations, which affected 134 Army installations. Seventy-seven installations, including 53 stand-alone housing sites, are being closed. Seven installations are both losing and gaining activities. Six installations will lose activities, while 44 will gain activities. The Army's program will accomplish all the relocations and closures within the statutory time limit, while minimizing costs and maximizing savings.

In terms of actual realignments and closures to date, we have closed 65 sites, including stand-alone housing sites. The training mission at Fort Dix, New Jersey,

will be realigned by the end of fiscal year 1993. We have completed all the environmental documents required to execute the remainder of our initiatives. Sixteen of the closures are assorted Army properties throughout CONUS. The first major installation closing will be Fort Sheridan, Illinois, in June 1993. The Presidio of San Francisco and Lexington Depot will close in mid-fiscal year 1994. With respect to the 53 stand-alone housing sites, 49 have been closed, including 13 permitted to other Services. The remaining 4 sites will be closed in fiscal year 1993. The Army has generated net revenue to date of \$15.4 million for 15 sites, and an additional \$34.0 million is anticipated in fiscal year 1993 for the sale of the Kapalama Military Reservation in Hawaii. The Navy will transfer \$27.8 million in fiscal year 1994 to the base closure account for housing units at Fort Sheridan, Illinois, and 3 stand-alone housing sites.

***BRAC I Financial Summary.***—Our request for fiscal year 1994, \$27.9 million, is shown at Table 1. This request is approximately \$166.0 million less than the fiscal year 1993 budget submission. This reduction is not caused by a reduced program, but the loss of revenues. The Army has been required to reduce its program to available funds. Had the anticipated revenues not been lost through "free land" transfers, the Army could have executed its original program. One-time implementation costs during the period fiscal year 1990–95 total \$1,296.5 million. Savings during the same period, primarily due to elimination of 2,269 military and 3,657 civilian personnel, total \$775.7 million, the same as last year's budget. Proceeds from land sales, shown at Table 2, are anticipated to be \$257.8 million, \$32 million less than last year. The continued loss of anticipated land revenues through Congressionally-directed transfers to other government agencies has caused the Army to lose approximately \$541.0 million in anticipated land revenues. Savings during fiscal year 1994 result primarily from the avoidance of operation and maintenance expenses. Savings also accrue from elimination of military and civilian personnel positions. The continued decline in anticipated revenues from the sale of real property will not meet the expectations of the 1988 Commission. Leases to providers of services to the homeless; discounts on sales to state and local governments where the sales will result in housing for transitional or low income families; special legislation involving no cost transfers enacted on properties at Fort Meade and at Fort Douglas, are factors contributing to lower expectations. Although these actions are based on meritorious considerations, they undermine the opportunity to generate needed revenues, while we continue to fund the costs associated with these actions.

***BRAC I Environmental Compliance.***—The Army is fully committed to compliance with all environmental statutes. We programmed \$121.7 million in fiscal year 1992 on BRAC I environmental cleanup and plan to spend over \$80.9 million in fiscal year 1993.

***BRAC I Summary.***—By the end of fiscal year 1993, the Army will be over midway in the execution of BRAC I initiatives. Although the loss of anticipated revenues will decrement the execution of BRAC I, we will complete all BRAC I initiatives required by law by September 30, 1995.

#### BASE REALIGNMENT AND CLOSURE II (BRAC II) IMPLEMENTATION STATUS

***BRAC II Overview.***—On January 29, 1990, the Secretary of Defense announced a set of proposals that affected the Army's force and base structures. This announcement, with adjustments, is shown at Table 3.

***BRAC II Status.***—Public Law 101–510 also made it necessary for the Army to discontinue studies for several of the BRAC II closure and realignment proposals because they exceeded the title 10 U.S.C. 2687 thresholds.

The remainder of the BRAC II initiatives listed in Table 3 are completed or are being executed. The Army is financing these initiatives from its operating funds, since no special funding account exists for BRAC II. The Army, to date, has completed: the inactivation of the 2nd Armored Division, Fort Hood, Texas; the inactivation of the 9th Infantry Division (Motorized), Fort Lewis, Washington; the inactivation of the 194th Separate Armored Brigade, Fort Knox, Kentucky; inactivation of the 4th U.S. Army, Fort Sheridan, Illinois; inactivation of the Mississippi Army Ammunition Plant (AAP), Picayune, Mississippi; and layaway of the Sunflower AAP. Layaway of three additional ammunition plants, Louisiana, Scranton and Longhorn, will be completed in fiscal year 1993.

The BRAC II proposal to terminate tank production at the Detroit and Lima Army Tank Plants has been modified. Upon layaway of assembly operations at the Detroit plant, the government's prime contractor for the Abrams tank made the management decision to manufacture the 36 prime component parts at the Detroit plant. This action has been completed. Foreign Military Sales (FMS) will extend

tank production at Lima if the quantities ordered can support an economic production rate.

#### BASE REALIGNMENT AND CLOSURE III—OCONUS (BRAC III) IMPLEMENTATION STATUS

*BRAC III Overview.*—As stated previously, on September 18, 1990, the Secretary of Defense announced the first closure or reduction of operations. To date, 461 overseas U.S. military facilities have been returned to host nations. Table 4 arrays the total number of installations, by country, returned to host nations.

The responsibility to determine which OCONUS installations close continues to be delegated by Congress to the Secretary of Defense. The process of site selection remains the same through Round 10. The Secretary of Defense works through the Joint Chiefs of Staff (JCS) and the Commanders-in-Chief (CINCS) of the geographically oriented, unified commands for whom our overseas Army commanders work. Army's OCONUS major commanders (Commander, U.S. Army Europe, (USAREUR); Commander, Eighth U.S. Army (Korea), EUSA; Commander, U.S. Army South (Panama), USARSO; and Commander, U.S. Army Pacific (USARPAC)) continuously reassess their installation requirements based on the revised force structure requirements of their Unified CINC, as well as resources provided by Army headquarters. The sites selected for closure are determined by the in-theater commanders and recommended to the Unified Commander, who submits the proposed list to the JCS and then to the Secretary of Defense for final approval.

The Army of the future is currently projected to be primarily CONUS-based. OCONUS forces, and their supporting installations, are being reduced to the minimum levels sufficient to maintain credible deterrence and to demonstrate our commitment and resolve to our allies world-wide. We are moving ahead aggressively with our overseas closures.

The process is working smoothly, but with the acceleration during fiscal year 1992 projected to continue through fiscal year 1993, the process is becoming more complex. We are ardently trying to retrograde Class V (ammunition) and Class VII (major end items) to multiple locations in OCONUS and cross-level these items to stay in Europe to support the forward deployed force. The entire project is called RETRO-EUR and FUTURE-EUR. The end state will be a smaller forward deployed OCONUS force based on budget reductions and our vision to become a more CONUS-based force.

Troop reductions have been the driver in our ability to reduce the number of European installations. This includes consolidations as some units will backfill better facilities left by inactivating units and leave the less economical and unsuitable facilities vacant for turn back to the host nation. As European force structure is further reduced, additional overseas installation closures will occur.

The Army's plan to close Korean installations continues to be tied to a change in mission requirements. All announced closures in Korea are on schedule. A strategy has been developed by the Commander of the Eighth U.S. Army, which includes a prioritized list of closures as forces are reduced.

*BRAC III Residual Value.*—Two areas of particular interest with regard to our overseas closures continue to be residual value and environmental concerns. The Department of Defense policy on residual value is to extract as much value as possible based on the U.S. funded capital improvements we have made over time to our facilities. This has become very meaningful given Congress' establishment of the "DOD Overseas Military Facility Investments Recovery Account." Some Status of Forces Agreements (SOFA's) and SOFA Supplementary Agreements permit the payment of residual value when the U.S. turns over facilities to the host government. This is the case in Germany. We can expect a payment to the U.S. for the value of U.S. funded capital improvements escalated to current value and then reduced based on depreciation and damages (both failure to maintain and environmental claims). Under the SOFA Supplementary Agreement with Germany, the U.S. is liable for 75 percent of the costs of any claims, with Germany paying 25 percent. However, for the OCONUS closures, offsetting claims will no doubt just be negotiated as a decrement to the residual value. This process has become slow and arduous. The German government has greatly reduced the amount of funds available to fund negotiated residual value payments for 1993.

In Korea, the SOFA between the Korean government and the U.S. does not provide for the payment of residual value; however, we also can turn over the facilities in an as-is condition. In Greece, the U.S. right to recover residual value is contained in a 1953 facilities agreement, with negotiations determining the amount and manner of compensation. We are carefully watching the residual value issue to ensure our interests are represented. It must be pointed out that in Germany, Greece, and Korea, the host nation owns the land and they lease this land to the U.S. rent-free;

therefore, any appreciation of the land value is not included in residual value negotiations—only the escalated value of U.S. funded capital improvements to real property, as adjusted for age and condition.

***BRAC III (OCONUS) Environmental Policy.***—The Army has an environmental policy for our overseas installations. As a foundation, this policy uses the provisions of Executive Order 12114 which reflect the U.S. Government's policy on environmental actions abroad. Our goal is to leave a good environmental footprint when we close our overseas installations. However, we do not plan on undertaking cleanup actions solely for the purpose of turnover. In Germany, the cost of cleanup for known environmental problems will be used in the residual value negotiations. Known environmental problems have been documented, and we will continue to remove all toxic and hazardous wastes, as well as clean up Category 1 actions. In Korea, we will also clean up Category 1 actions, as well as dispose of all hazardous and toxic wastes. The SOFA with Korea contains no language as to responsibility for environmental clean up. These countries have agreed to this process and we do not anticipate changes. German negotiations continue to move slowly due to the large number of troops from other nations which are also leaving. The focus of the German government at this time is the removal of the Russian forces.

#### BASE REALIGNMENT AND CLOSURE 91 (BRAC 91): IMPLEMENTATION STATUS

The National Defense Authorization Act of 1991 (Public Law 101-510) established a new process for the DOD to submit a list of recommended CONUS base closures and realignments. This law established a series of three commissions to meet in fiscal year 1991, fiscal year 1993, and fiscal year 1995. DOD will submit to these commissions, accompanied with a force structure plan, a listing of proposed realignments and closures. The Commission evaluates DOD's submission and forwards their recommendations to the President, who, in turn, forwards the report to the Congress. The Army is currently in the second year of executing the fiscal year 1991 Commission recommendations, called BRAC 91 by the Army.

***BRAC 91 Overview.***—The Army is currently in the initial execution phase. During fiscal year 1993, the Army will focus on four areas: completion of appropriate environmental documentation; planning and design of facilities; execution of construction projects and realignment of military units to gaining installations. No military end strength reductions are shown in the BRAC 91 plan. Those savings are shown in the Army's end strength reductions programmed through fiscal year 1995. Savings from defense management review decisions are included in the various packages. Those savings have already been withdrawn from the Army's program. No actions programmed in fiscal year 1993 will have an adverse impact on the missions of the affected units. BRAC 91 actions will be executed with no adverse impact on BRAC I actions. The requirements of the fiscal year 1988 Commission will be executed within the congressional time limits set by Public Law 100-526. To date, the Army has awarded 50 percent of its BRAC 91, fiscal year 1993 MILCON program. The movement of major Army units has started and all are projected to be complete by the scheduled milestones.

***BRAC 91 Financial Summary.***—The fiscal year 1994 budget request is \$479.9 million, as shown at Table 5. One-time implementation costs during the period fiscal year 1992-97 total \$1,551.5 million. Savings during the same period remain at \$1,606.8 million, primarily due to the elimination of 5,648 civilian positions and reduced operating costs of installations being realigned or closed. Proceeds from land sales are anticipated to be \$671.0 million, as shown at Table 6. This reflects a reduction of \$83.0 million caused by the loss of all anticipated revenues from Fort Dix, New Jersey. All revenues are anticipated in fiscal year 1997, after environmental restoration is complete at the five installations at which disposal of excess land is expected. Therefore, the net cost to the Army for the implementation of BRAC 91 is a possible savings of \$552.3 million, should all land revenues be realized. It should be noted that approximately \$1.4 billion of savings in BRAC 91 from fiscal year 1992-97 are the results of DMRD's. Recurring savings are estimated to be \$348.0 million, starting in fiscal year 1998.

The Army received approximately \$34.0 million from the BCA II account and \$25.3 million from the DOD Defense Environmental Restoration Account. The programming of these funds are shown at Table 5. A portion of the remaining costs (\$48.6 million) was paid from Army appropriations. The funds to execute BRAC 91 in fiscal year 1993 will come from the BCA II established in fiscal year 1992 as the sole source of BRAC 91 funds. The Army will expend \$360.8 million in fiscal year 1993 for BRAC 91. A legislative reduction to the BRAC 91 account in fiscal year 1993 caused the Army to reduce and reprogram approximately \$73.0 million of BRAC MILCON.

*BRAC 91 Environmental Compliance.*—The Army's cleanup goal is to accomplish land disposal actions as quickly as possible, with no restrictions on the property's future use.

We will also determine if potential non-Army future use exists that are complimentary and compatible with existing lands. Where appropriate, these properties may be disposed of with restrictions placed on their future use. Such a disposal will not take place where an unacceptable human health or environmental hazard would exist. A final decision will be made only after existing environmental conditions have been assessed in an environmental baseline survey which considers contamination, endangered species, cultural resources, and other environmental issues. These are the same procedures used in the BRAC I process and found to be effective in the identification of environmental restoration requirements.

*BRAC 91 Summary.*—By the end of fiscal year 1993, the Army will have accomplished the initial baseline NEPA requirements and commenced the planning and design of all fiscal year 1994 military construction projects. Execution plans will be distributed to guide the Army major commands through the various stages of the BRAC 91 execution process.

#### BASE REALIGNMENT AND CLOSURE 93 (BRAC 93) STATUS

The National Defense Authorization Act of 1991 required DOD to submit three lists of recommended CONUS base realignments and closures. As stated above, the Army is currently in the second year of execution of the first congressionally approved list. The second round of recommendations has been forwarded to the Base Realignment and Closure Commission on March 12, 1993. As specified in law, the list must be justified in terms of the approved base realignment and closure selection criteria and the Joint Chiefs of Staff force structure plan submitted as an enclosure to the fiscal year 1994 DOD budget. The Commission will evaluate each Services' submission and release its report to the President not later than July 1, 1993. The results of this Commission's work will become known as BRAC 93 within DOD once they have been published.

The Army's process for identifying the recommendations on BRAC 93 is accomplished through an independent study group process. The Total Army Basing Study (TABS) breaks the task into three phases.

Phase I was an evaluation of the CONUS installation inventory in terms of military utility. The Army's Major Commands (MACOM's) conducted an analysis of their installations using a set of quantifiable attributes designed to compare installations and produce relative rankings based on military value only.

In Phase II, TABS uses the JCS Force Structure Plan, a stationing vision prepared by the Office of the Deputy Chief of Staff for Operations and Plans, the MACOM Phase I evaluations, and MACOM visions of the future, based on their operational concepts and anticipated funding, to produce a list of potential closures and realignments.

During Phase III, TABS will work directly with the BRAC 93 Commission, in order to justify the analytical methods used and provide additional information that they may require.

To ensure continuity in the collection of data and the integrity of analytic process, the Army conducts internal audits which focus on the data collection in both phases. The purpose of the audits is to ensure the data was accurate and that it was applied consistently throughout the analysis. The GAO has also been monitoring the TABS process and is now in the midst of preparing a report to the Base Closure Commission, due April 19, 1993.

As one can see, the Army has again utilized the same process to identify recommendations to the BRAC 93 Commission and has had independent oversight of its actions from both the Army Audit Agency and GAO.

#### SUMMARY

The Army continues to execute all initiatives of the BRAC process, as directed by Public Law 100-526 (BRAC I), the January 29, 1990, SECDEF decision (BRAC II), OCONUS troop reductions (BRAC III) or currently called RETRO-EUR/FUTURE-EUR and Round One of Public Law 100-510 (BRAC 91). We view these initiatives as an opportunity to achieve economic efficiencies and improve our operational effectiveness. The current administration has placed a specific focus on reducing the size of the United States Armed Forces. As the Army is reduced, the associated basing structure must also be reduced. We have taken great strides in this area in our OCONUS bases and will continue to do so in the remainder of fiscal year 1993 and the follow-on years. The BRAC process established by Public Law 100-526 and Public Law 101-510 allows the Army to reduce the excess basing structure created by

the reduced force structure in CONUS. The fiscal realities are requiring a reshaping of the Army. We are attempting to do this in a manner which will minimize the impact on soldiers, civilians employees and communities affected by the various base closure and realignment actions. We will not abdicate our responsibility to the environment and the preservation of the historic and cultural resources at our closing installations in all BRAC initiatives. The Army will continue to work with the local communities to structure a redevelopment plan for the bases impacted by various BRAC actions. Once complete, the Army will have a reduced CONUS basing structure which will provide the power projection platforms necessary to deploy the United States Army around the world to meet global conflicts.

Mr. Chairman, this concludes my statement. Thank you.

TABLE 1.—ARMY FINANCIAL SUMMARY BRAC I BASE REALIGNMENT AND CLOSURE I (PUBLIC LAW 100-526)  
[In millions of dollars]

|                                       | Fiscal year— |         |         |         |          |          | Total<br>1989-95 |
|---------------------------------------|--------------|---------|---------|---------|----------|----------|------------------|
|                                       | 1989         | 1990    | 1991    | 1992    | 1993     | 1994     |                  |
| <b>One-time implementation costs:</b> |              |         |         |         |          |          |                  |
| Military construction .....           |              | 126,900 | 187,895 | 193,080 | 131,550  | 42,780   | 682,205          |
| Family housing .....                  |              | .....   | .....   | .580    | .328     | .....    | .908             |
| Construction .....                    |              | .....   | .....   | .580    | .....    | .....    | .580             |
| Operations .....                      |              | .....   | .....   | .....   | .328     | .....    | .328             |
| Environment .....                     |              | 108,540 | 121,744 | .....   | 80,889   | 1,300    | 312,453          |
| Operation and maintenance .....       |              | 29,204  | 92,371  | 52,715  | 81,531   | 1,820    | 251,641          |
| Military personnel—FCS .....          |              | .....   | 1,186   | .....   | .....    | .....    | 1,186            |
| Other .....                           |              | 9,266   | 10,368  | 4,971   | 17,450   | .....    | 42,055           |
| Total one-time costs .....            |              | 165,370 | 400,360 | 373,090 | 311,728  | 45,900   | 1,296,448        |
| Estimated land revenue .....          |              | .....   | (3,879) | (1,942) | (58,928) | (18,030) | (175,100)        |
| Budget request .....                  |              | 165,370 | 396,481 | 371,148 | 252,800  | 27,870   | (257,879)        |
| Funded outside the account .....      |              | .....   | .....   | .....   | .....    | .....    | 1,038,569        |
| <b>Military construction</b>          |              |         |         |         |          |          |                  |
| Family housing .....                  | 13,713       | .....   | .....   | .....   | .....    | .....    | 13,713           |
| Construction .....                    | 2,528        | .....   | .....   | .....   | .....    | .....    | 2,528            |
| Operations .....                      | 2,528        | .....   | .....   | .....   | .....    | .....    | 2,528            |
| Environmental .....                   | 5,290        | 16,675  | .....   | .....   | .....    | .....    | 21,965           |
| Operation and maintenance .....       | 17,376       | .....   | .040    | 1,915   | .....    | .....    | 19,331           |
| Other .....                           | .....        | .066    | .054    | .....   | .....    | .....    | .....            |
| Homeowners Assistance Program .....   | .....        | .....   | .....   | .....   | .....    | .....    | 152              |
| Total outside the account .....       | 38,907       | 16,741  | .094    | 1,947   | .....    | .....    | 57,689           |
| <b>Savings:</b>                       |              |         |         |         |          |          |                  |
| Military construction .....           | 23,000       | 9,200   | 15,300  | 19,300  | 19,400   | 19,400   | 125,000          |
| Family housing .....                  | .....        | .....   | 15,033  | 17,257  | 18,683   | 45,541   | 141,931          |

|   |         |         |          |          |          |           |           |
|---|---------|---------|----------|----------|----------|-----------|-----------|
| Construction .....  |         |         |          |          |          |           |           |
| Operations .....  |         |         |          |          |          |           |           |
| Operation and maintenance .....                             |         |         |          |          |          |           |           |
| Military personnel—PCS .....                                |         |         |          |          |          |           |           |
| Other .....   |         |         |          |          |          |           |           |
| Civilian ES .....   |         |         |          |          |          |           |           |
| Military ES .....   |         |         |          |          |          |           |           |
| Total savings .....   | 23,000  | 10,218  | 34,942   | 56,663   | 120,164  | 247,089   | 283,651   |
| Net implementation costs:                                   |         |         |          |          |          |           |           |
| Military construction .....                                 | (9,287) | 117,700 | 172,595  | 173,780  | 112,150  | 23,380    | (19,400)  |
| Family housing .....  | 2,528   |         | (15,033) | (16,677) | (18,355) | (45,341)  | (45,417)  |
| Construction .....  |         |         |          |          |          |           |           |
| Operations .....  |         |         |          |          |          |           |           |
| Environment .....   |         |         |          |          |          |           |           |
| Operation and maintenance .....                             |         |         |          |          |          |           |           |
| Military personnel—PCS .....                                |         |         |          |          |          |           |           |
| Other .....   |         |         |          |          |          |           |           |
| Homeowners Assistance Program .....                         |         |         |          |          |          |           |           |
| Revenues from land sales (-) .....                          |         |         |          |          |          |           |           |
| Net implementation costs less estimated land revenues ..... | 15,907  | 171,893 | 361,633  | 316,432  | 132,636  | (219,219) | (458,751) |

TABLE 2.—BRAC I (PUBLIC LAW 100-526) ANTICIPATED LAND REVENUE—ARMY

[In thousands of dollars]

| Location  | Fiscal year— |        |        |         | Total   |
|---|--------------|--------|--------|---------|---------|
|   | 1992         | 1993   | 1994   | 1995    |         |
| Presidio of San Francisco, CA .....   | .....        | .....  | .....  | .....   | .....   |
| Hamilton Army Airfield, CA .....  | .....        | .....  | .....  | .....   | .....   |
| Tacomly Warehouse, PA .....   | .....        | .....  | 1,750  | .....   | 1,750   |
| Kapalama Military Res., HI .....  | .....        | 40,000 | .....  | .....   | 40,000  |
| Pontiac Storage Facility, IN .....  | .....        | 4,700  | .....  | .....   | 4,700   |
| Indiana AAP, IN .....   | .....        | .....  | .....  | 267     | 267     |
| Fort Des Moines, IA .....   | .....        | .....  | .....  | .....   | .....   |
| Lexington-Bluegrass AD, KY, Lexington portion .....                               | .....        | .....  | .....  | 11,000  | 11,000  |
| Army Material Technical Labs, Massachusetts, Michigan, New Jersey, Virginia ..... | .....        | .....  | .....  | 13,911  | 13,911  |
| Fort Meade, MD .....  | .....        | .....  | 505    | .....   | 505     |
| USA Reserve Ctr, Gaithersburg, MD .....   | .....        | .....  | .....  | 1,000   | 1,000   |
| Fort Sheridan, IL .....   | .....        | .....  | .....  | 43,387  | 43,387  |
| Cameron Station, VA .....   | .....        | .....  | .....  | 104,335 | 104,335 |
| Defense Mapping Agency Herndon, VA .....  | .....        | .....  | .....  | 1,200   | 1,200   |
| Stand-alone housing, various locations <sup>1</sup> .....                         | 5,821        | 14,228 | 15,775 | .....   | 35,824  |
| Total .....   | 5,821        | 58,928 | 18,030 | 175,100 | 257,879 |

<sup>1</sup>\$3,879,000 for fiscal year 1992 stand-alone housing revenues were realized in fiscal year 1991.

TABLE 3.—BRAC II—Force structure and base realignments implementation schedule

| <i>Implementation action</i>   | <i>Fiscal year<sup>1</sup></i> |
|--|--------------------------------|
| Reduce Active Army <sup>2</sup> .....                                  | 1990-94                        |
| Reduce Reserve Components .....  | 1990-94                        |
| Inactivate 2d Armored Division <sup>3</sup> .....                      | 1990-91                        |
| Downsize 194th Armored Brigade <sup>3</sup> .....                      | 1990                           |
| Downsize 9th Infantry Division (Mtz) <sup>3</sup> .....                | 1990-91                        |
| Relocate 7th Infantry Division and Close Fort Ord <sup>4</sup> .....   | 1992-93                        |
| Layaway Mississippi Army Ammunition Plant <sup>3</sup> .....           | 1990-91                        |
| Layaway Indiana Army Ammunition Plant .....                            | 1993                           |
| Cease Workload at and lease Kansas AAP .....                           | 1993                           |
| Layaway Louisiana AAP or Scranton AAP .....                            | 1994                           |
| Layaway Sunflower AAP .....  | 1992                           |
| Layaway Longhorn AAP .....   | 1993                           |
| Partial Inactivation Tank Production at Detroit ATP <sup>5</sup> ..... | 1991                           |
| Partial Inactivation Tank Production at Lima ATP <sup>5</sup> .....    | 1995                           |
| Realign Supply Function at Red River AD <sup>4</sup> .....             | 1990-93                        |
| Close Fort McClellan <sup>4</sup> .....                                | 1993                           |
| Warm Base Fort Gillem <sup>4</sup> .....                               | 1992                           |
| Inactivate HQ, 4th Army <sup>3</sup> .....                             | 1992                           |
| Close Sacramento AD <sup>4</sup> .....                                 | 1992-93                        |
| Eliminate Troop Support Command <sup>4</sup> .....                     | 1992-93                        |
| Convert Health Services Command .....                                  | 1992-93                        |
| Inactivate 1st Region, CIDC <sup>3</sup> .....                         | 1991                           |
| Reorganize AMC Headquarters .....                                      | 1991-95                        |
| Reorganize DESCOM Headquarters .....                                   | 1991-95                        |

TABLE 3.—*BRAC II—Force structure and base realignments implementation schedule—Continued*

| <i>Implementation action</i>                         | <i>Fiscal year<sup>1</sup></i> |
|--|--------------------------------|
| Streamline AMC Management Engineering Activity ..... | 1991–95                        |
| Streamline Information Systems Command .....         | 1991–95                        |

<sup>1</sup> Subject to proposals being approved following completion of required analyses and notification to Congress under 10 U.S.C. 2687, if appropriate.

<sup>2</sup> Partially satisfied by actions outlined below.

<sup>3</sup> Proposals have been executed.

<sup>4</sup> Proposals were rescinded in accordance with the Defense Base Closure and Realignment Act of 1990.

<sup>5</sup> These proposals have been modified to permit some work to continue beyond the implementation period.

TABLE 4.—BRAC III SUMMARY

[Affected areas include sites in the following countries]

TABLE 5.—ARMY FINANCIAL SUMMARY BRAC 91 BASE REALIGNMENT AND CLOSURE 1991 (PUBLIC LAW 101-510)

[In millions of dollars]



TABLE 5.—ARMY FINANCIAL SUMMARY BRAC 91 BASE REALIGNMENT AND CLOSURE 1991 (PUBLIC LAW 101-510)—Continued  
 [In millions of dollars]

|  | Fiscal year— |          |         |           |           | Total<br>1992-97 |
|--|--------------|----------|---------|-----------|-----------|------------------|
|  | 1992         | 1993     | 1994    | 1995      | 1996      |                  |
| Operations and maintenance .....                 | (57,172)     | (26,230) | 158,634 | (162,017) | (264,258) | (295,456)        |
| Military personnel .....                         | .....        | .....    | .....   | .....     | .....     | (963,767)        |
| Other .....                                      | 4,139        | 24,743   | 35,408  | 45,872    | 21,267    | 32,500           |
| Homeowners Assistance Program .....              | .125         | 16,541   | 37,160  | 16,373    | .....     | 163,929          |
| Revenues from land sales (—) .....               | .....        | .....    | .....   | .....     | .....     | 70,199           |
| Net implementation cost less land revenues ..... | 13,869       | 205,106  | 233,664 | 114,544   | (236,091) | (671,000)        |
|  |              |          |         |           |           | (671,000)        |
|  |              |          |         |           |           | (599,844)        |

<sup>1</sup> \$7,818,000 of this amount was obligated in fiscal year 1991.

TABLE 6.—BRAC 91 (PUBLIC LAW 101-510) ANTICIPATED LAND REVENUE—ARMY  
[In thousands of dollars]

| Location                          | Fiscal year— |       |       |                |
|-----------------------------------|--------------|-------|-------|----------------|
|                                   | 1994         | 1995  | 1996  | 1997           |
| Fort Ord, CA .....                | .....        | ..... | ..... | 400,000        |
| Fort Devens, MA .....             | .....        | ..... | ..... | 112,000        |
| Fort Benjamin Harrison, IN .....  | .....        | ..... | ..... | 104,000        |
| Fort Dix, NJ <sup>1</sup> .....   | .....        | ..... | ..... | .....          |
| Harry Diamond Lab (ARL), VA ..... | .....        | ..... | ..... | 30,000         |
| Sacramento Depot, CA .....        | .....        | ..... | ..... | 25,000         |
| <b>Total</b> .....                | .....        | ..... | ..... | <b>671,000</b> |

<sup>1</sup> The anticipated revenues from Fort Dix were reduced from \$83,000,000 to zero. Basis of the reduction is the proposed utilization of Fort Dix by other Federal and State agencies precludes disposal of the anticipated excess lands.

#### SUMMARY STATEMENT

Secretary JOHNSTON. This budget reflects a reduced military force structure that we are projecting. We are restructuring to a power projection Conus based force, while still maintaining a minimum forward presence. The Army of the future will be smaller, more mobile, and based primarily in the United States.

This budget funds highest priority military construction and housing requirements, executions of the chemical demilitarization, and the Homeowner's Assistance Program.

For the Army National Guard and Reserves, the emphasis is to provide modern facilities close to where our soldiers live and maximum training opportunities at our existing sites. In our base closure, we are making good progress.

BRAC I is progressing well. Overseas closures now total 461 sites, with initial execution of the BRAC 91, and the Army will continue reshaping its efforts when BRAC 93 recommendations are finalized.

Of course, last is our RPMA program, and those appropriations comes from the Defense appropriations bill, but these funds help to operate and maintain our Army fiscal plant, and we ask for your support in that area.

With that, I would like to turn it over to General Sobke for the active component.

General SOBKE. Mr. Chairman, Senator Stevens, I am honored to appear before you today. I will use a set of 35-millimeter slides to give a short introduction to the shape of our program for the Army for this year.

#### ARMY FACILITIES, FISCAL YEAR 1994

##### ARMY FACILITIES VISION

Provide World Class Power Projection Platforms for a modern, deployable, trained and ready Army capable of decisive victory.

Be an environmental leader.

Provide excellent facilities for our soldiers, civilians and families to live, work and train.

This is our mission for Army facilities, to fashion them as world-class power projection platforms, to pay attention to the environment, and to provide those excellent facilities for our soldiers and civilians to live, work, and train.

#### ARMY FACILITIES STRATEGY

1. Provide sufficient resources.
2. Focus the investment.
3. Reduce facility inventory.

In consonance with that vision, of course, we have a strategy, and that is to obtain the resources that we need to put that program together, to provide those facilities, to provide those installations, and to focus the investment in those places where it is most needed, and where the Army of the future will reside, and, of course, in the process, to reduce the facility inventory as the Army downsizes.

#### *Army Military Construction*

[Fiscal year 1994]

|             | <i>In billions</i> |
|-------------|--------------------|
| MCA .....   | \$0.8              |
| BCA .....   | 0.5                |
| RC .....    | 0.1                |
| HOA .....   | 0.2                |
| AFH .....   | 1.3                |
| Total ..... | 2.9                |

In point of fact, Mr. Chairman, this is what our account looks like for this year, some \$2.9 billion out of the figure that you gave in your opening remarks, of that, about \$800 million in MCA.

It has \$500 million in the BRAC account. And you can see the other accounts there. RC is reserved component, and HOA, of course, is homeowner's assistance.

#### MILITARY CONSTRUCTION SUMMARY

[Appropriations in millions]

|             | Fiscal year— |       |              |
|-------------|--------------|-------|--------------|
|             | 1992         | 1993  | 1994 request |
| MCA .....   | \$881        | \$425 | \$777        |
| AFH .....   | 1,558        | 1,524 | 1,344        |
| HOA .....   | 84           | 133   | 151          |
| RC .....    | 341          | 252   | 133          |
| BRAC .....  | 436          | 613   | 508          |
| Total ..... | 3,300        | 2,948 | 2,913        |

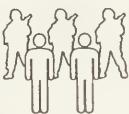
This breaks out the programs in comparison to the years before. Last year, in the MCA account, you recall, of course, that was a

pause year, and that account has been restored on an upward trend this year. The AFH account, of course, is now reflective of the reduction in inventories as the Army downsizes.



## Era of Change Army's Base Structure

We have more facilities than we NEED or CAN AFFORD.



- ★ Decrease Army manpower from 1.88M (FY90) to 1.40M (FY95)

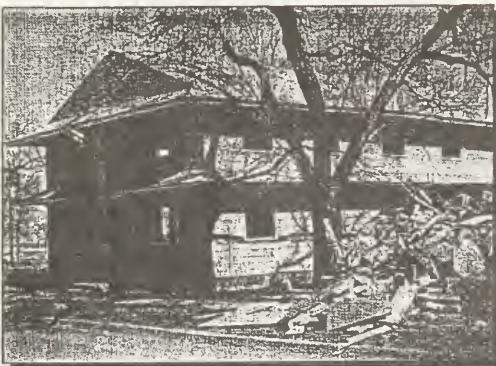
- ★ Decrease total Army \$ from \$80B (FY90) to \$65B (FY95)

- ★ Decrease facilities from 1.02B ft<sup>2</sup> (FY92) to 854M ft<sup>2</sup> (FY95)

Of course, we do recognize that we have more base structure than we can afford, and that is reflective of the activities that continue in the base closure business that will be commented on by Colonel Harvey.



## Fort Sill, OK Building Demolition



All over the Army we are working to bring down World War II wood. I can tell you that we brought down some 9 million square feet this year. That will leave us about 88 million square feet re-

maining. We have intentions to reduce that another 44 million square feet over the next 3 to 4 years.

#### *Major Programs, Fiscal Year 1994*

|   | <i>In millions</i> |
|---|--------------------|
| Whole Barracks Renewal .....            | \$275              |
| Whole Neighborhood Revitalization ..... | 169                |
| Chemical Demilitarization .....         | 112                |
| Strategic Mobility .....                | 27                 |
| Kwajalein .....                         | 21                 |

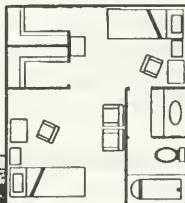
Our major programs, of course, include whole barracks renewal, whole neighborhood revitalization, chemical demilitarization, strategic mobility, and Kwajalein. I will comment on all of those, except chemical demilitarization.



## New Barracks Standards

### A move toward Single Soldier Communities of Excellence

- New Room Standard**
- ★ 2 per room w/bath
- ★ 110 net ft<sup>2</sup> per soldier,  
not incl storage
- ★ 2 phone/2 cable TV outlets



- Other Improvements**
- ★ More parking
- ★ More washer/dryers
- ★ Mud rooms
- ★ Separate admin/supply



We have, as the result of the triservices barracks survey, which went out and talked to some 2,000 soldiers, sailors, airmen, and marines about their living conditions in the barracks, done something about the standard that has been on the books now for the past 10 years or so.

Soldiers and enlisted people were required to live in 90 square feet of space. They have asked to have more space, and so we have increased that space to 110 square feet, and provided them also with a 20-square-foot closet.

So that really bumps them up from about 90 square feet to 130 square feet. And, in addition, we are attempting to provide each room with a private bathroom.

Other amenities include parking and security. What we are trying to do, really, Mr. Chairman, is to create the kind of neighborhood where our soldiers can feel at home, and that we can provide the quality which will continue to attract the quality force that we

need to operate, the kinds of weapons, and in the environment and battlefield challenges that we have today.



## Whole Barracks Renewal Program

*"The Whole Barracks Renewal Program is a holistic approach to providing our single soldiers with community living areas..."*



Chief of Staff Message  
New Army Barracks Design Standard  
August, 1992

- ★ Replaces or revitalizes all barracks in 15 years
- ★ \$250M+ per year FY94 - FY99
- ★ Focus is on barracks community
  - Quality exteriors      -Parking
  - Quality interiors      -Recreation areas
  - Landscaping

That whole program is going to take about 15 years, if we can continue at the rate of about \$250 million a year to upgrade, renovate, or build new facilities across the Army, and doing installations where we think the Army is going to be for the next 20 to 30 years.



## Fort Benning, GA Soldier's Room





## Fort Irwin, CA Gang Latrines

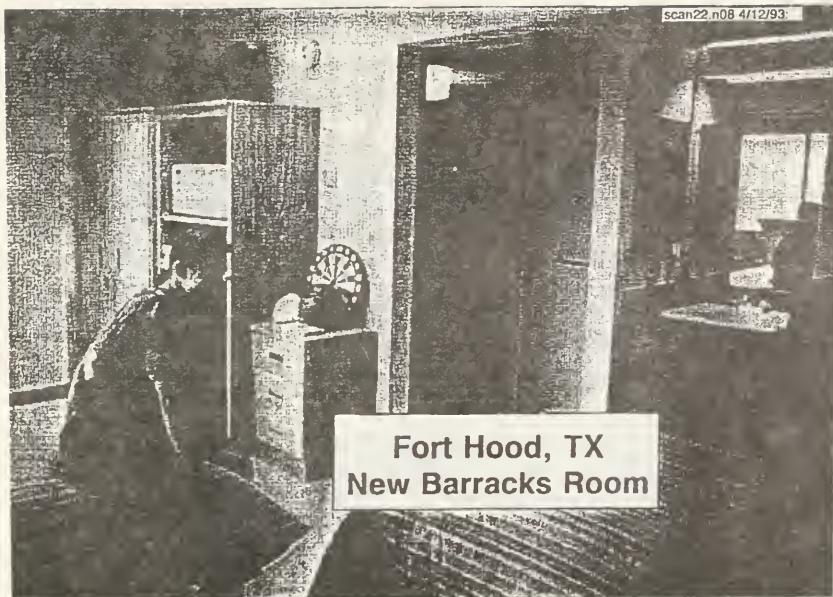


### *Whole Barracks Renewal Projects in Fiscal Year 1994*

| Location                        | Millions |
|---------------------------------|----------|
| Fort Rucker, AL .....           | \$20.0   |
| Fort Irwin, CA .....            | 5.9      |
| Fort Benning, GA .....          | 36.0     |
| Fort Campbell, KY .....         | 32.0     |
| Fort Knox, KY .....             | 25.0     |
| U.S. Military Academy, NY ..... | 13.8     |
| Fort Bragg, NC .....            | 71.6     |
| Fort Sill, OK .....             | 15.7     |
| Fort Hood, TX .....             | 18.0     |
| Fort Lee, VA .....              | 20.0     |
| Fort Meyer, VA .....            | 6.8      |

This, of course, is the kind of facility we are trying to get away from, the kind of latrine we are trying to get away from. These are the places where we do have projects in the fiscal year 1994 budget.

That total is about \$265 million. There is another project at Kwajalein to provide an unaccompanied personnel housing project for \$10 million at that location.



This is what we are shooting for. This is a renovation of barracks at Fort Hood, renovation of a day room in Fort Hood. This project is turning out very, very nicely.

The soldiers that are moving from Fort Polk in the Fifth Division, and activating the Second Division at Fort Hood, are pleased with the kind of barracks that they are moving into.

We took the old barracks, and closed up the interior hallway, and put these balconies on the outside of the barracks to provide private entrances for the soldiers in their rooms.



## Army Strategic Mobility Program

**The Environment**

- CONUS-Based Forces (16 of 20 Divisions)
- Regional Threat

**Global Responsibility**

**World Class Power Projection Platforms**

**The Foundation**

- Flexibility (Strategic & Tactical)
- Surge Air/Sea Lift
- Afloat Prepositioning
- Strategic Infrastructure

**Installation Infrastructure Focus**

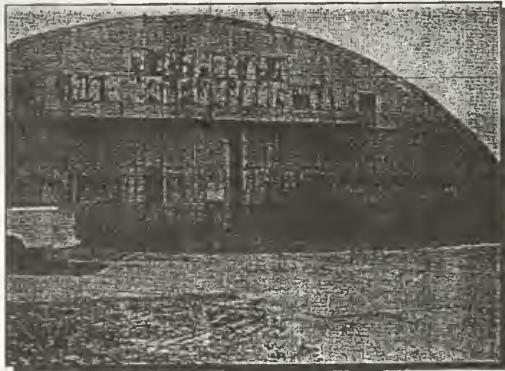
- \* \$550 Million over next 7 years
- \* Airfield runways, taxiway, apron upgrades
- \* Airfield deployment operations
- \* Rail systems and capabilities upgrade
- \* Installation contingency wartime storage

The next program is the Strategic Mobility Program. As we become a world-class power projection platform, we have to think about how we are able to get the force out of the door. We have projects in the program for the beginning of upgrading our facilities to deploy the force.

You see that over the next 7 years or so we are going to invest about over \$500 million in our airfields, our parking aprons, our storage facilities, container handling facilities, and those kinds of things, so that they are upgraded to a capacity that will let us get the force out the door quickly.



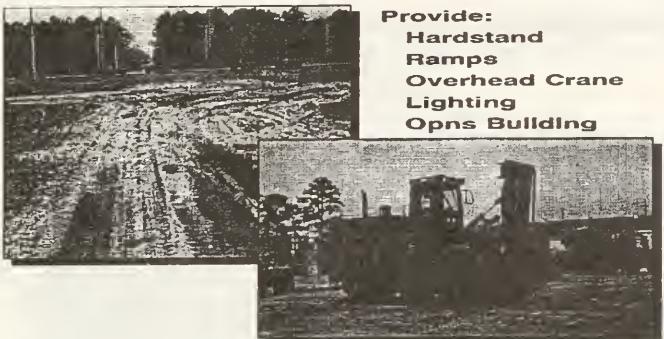
### Fort Campbell, KY Mobilization Warehouse



This, of course, is the kind of facility we have today at Fort Campbell, where that forklift is what is needed to open the door to that warehouse, which is a container storage facility.



## Fort Stewart, GA Cargo Handling Facility



**Provide:**  
**Hardstand**  
**Ramps**  
**Overhead Crane**  
**Lighting**  
**Ops Building**

This is another facility at Fort Stewart, GA, where the operation for Desert Storm deployment took place in the mud, and we will provide the hard stand, the overhead crane, lighting, and storage facilities to ensure that that operation goes more smoothly.

### *Strategic Mobility Program Projects in Fiscal Year 1994*

| Fort Stewart, GA:                               | <i>Millions</i> |
|---|-----------------|
| Hardstand .....                                 | \$8.7           |
| Cargo handling facility .....                   | 4.5             |
| Expand ammunition storage .....                 | 3.6             |
| Railroad track improvement .....                | 2.0             |
| Fort Campbell, KY: Mobilization warehouse ..... | 0.9             |
| Hawthorne AAP, NV: Container holding pads ..... | 7.0             |

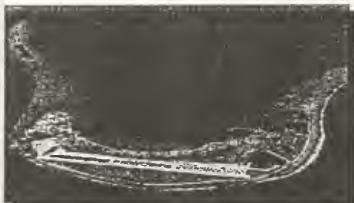
This shows the size of the program in the fiscal year 1994 budget at three locations, Fort Stewart, Fort Campbell, and Hawthorne Army Ammunition Plant, in Nevada.



## Kwajalein Atoll

### Defense Missions:

- Missile Defense Research & Development
- Deep Space Tracking
- Support for DoD, Services & NASA



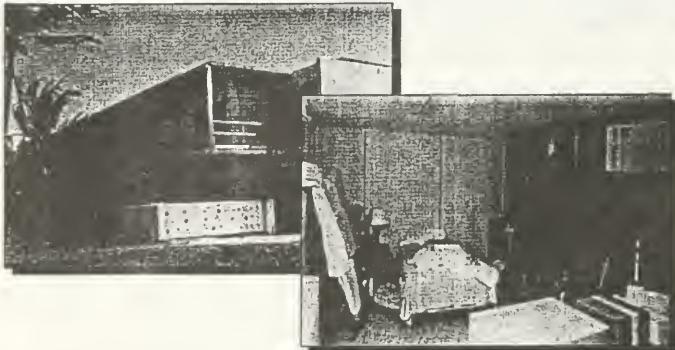
- ★ Army Installation  
★ FY94 Construction Program

|                             | \$M  |
|-----------------------------|------|
| Unaccompanied Personnel Hsg | 10.0 |
| Sewage Treatment Facility   | 11.2 |

This shows our projects at Kwajalein, one for the sewage treatment plant, to take care of an environmental problem, and the second is the barracks, or unaccompanied living facility, to upgrade the way many of our contractor personnel live at that location, which is not very good.



## Kwajalein Atoll Unaccompanied Personnel Housing



This shows the kind of conditions that they live in. Of course, the atmospheric environment is very severe there, and buildings just do not last long. They rust out, the concrete decays, the rebar is exposed, and the facilities become unsafe and deteriorated.



## Whole Neighborhood Revitalization

*Piecemeal fixes are out. What's in is a holistic systems approach that looks at the whole house and whole neighborhood.*

**\$230M + per year FY94 - FY99 improves:**



- ★ **Exteriors**
- ★ **Landscaping**
- ★ **Kitchens**
- ★ **Baths**
- ★ **Storage**
- ★ **Streets**
- ★ **Utilities**
- ★ **Rec Areas**

In the family housing area we are sustaining a similar program to the barracks program, again, a holistic approach to the neighborhood, taking care of the whole housing upgrade at one time.



## Fort Bragg, NC Whole Neighborhood Revitalization



This is the kind of neighborhood that we see at Fort Bragg and at other places around the country. They are not very appealing, not very attractive. We need to do a lot to fix that.



## Fort Bragg, NC Whole Neighborhood Revitalization



That is a 1950-style vista that you see there.

*Whole Neighborhood Revitalization Projects in Fiscal Year 1994*

| <i>Location</i>                 | <i>Millions</i> |
|---------------------------------|-----------------|
| Fort Carson, CO .....           | \$5.9           |
| Schofield Barracks, HI .....    | 21.0            |
| Fort Campbell, KY .....         | 10.2            |
| Fort Meade, MD .....            | 26.0            |
| Aberdeen PG, MD .....           | 6.4             |
| White Sands, MR, NM .....       | 3.3             |
| U.S. Military Academy, NY ..... | 20.7            |
| Fort Bragg, NC .....            | 18.0            |
| Fort Sill, OK .....             | 8.6             |
| Fort Lee, VA .....              | 15.0            |
| Fort Monroe, VA .....           | 11.8            |
| Fort McCoy, WI .....            | 3.0             |

And this is the funding that we are putting into the program, about \$150 million in fiscal year 1994.

Both of these programs, between the barracks and the family housing, are designed to take care of the people in the force. This is what we are shooting for, similar to many programs across the Army.



**Fort Leavenworth, KS  
New Neighborhood**

This happens to be Fort Leavenworth.



**Fort Leavenworth, KS  
New Kitchen**

And this is the kind of thing that we are able to do to upgrade kitchens. Again, a very happy and satisfied family at Fort Leavenworth.

Senator SASSER. What type of housing is that? Is that the non-commissioned officers?

Secretary JOHNSON. That happened to be an officer's family, sir. But they are similar for both enlisted and officer.

#### ARMY FACILITIES VISION

Provide World Class Power Projection Platforms for a modern, deployable, trained and ready Army capable of decisive victory.

Be an environmental leader.

Provide excellent facilities for our soldiers, civilians and families to live, work and train.

General SOBKE. I bring you back to refresh you, sir, on our vision, world-class power projection platforms, be an environmental leader, and provide excellent quality facilities to create the cultural quality throughout the Army, which we think is essential to the force.

Sir, I will be followed by General D'Araujo, of the National Guard.

Senator SASSER. General.

#### ARMY NATIONAL GUARD

General D'ARAUJO. Mr. Chairman, Senator Stevens, I am Maj. Gen. Jack D'Araujo, Director of the Army National Guard. I welcome the opportunity to appear before your subcommittee and present the Army National Guard's Military Construction Program for fiscal year 1994.

As you know, for the citizen-soldier, the most critical element is time, which means we must provide adequate and modern training facilities close to our units, and continue to maximize training opportunities at our existing training sites.

The Army National Guard has an obligation to provide adequate, safe, and cost-efficient facilities of excellence to support our personnel and units throughout the Nation. Modern facilities, which support training, maintenance, administration, and storage of assigned equipment are required to maintain high levels of readiness in our mission objectives.

The Army National Guard's aging infrastructure and shrinking real property support provides real challenges that we will continue to prudently manage to provide the best facilities for available resources.

The Army National Guard is committed to executing authorized programs as expeditiously and efficiently as possible.

Our 1994 request of \$50.8 million includes \$45.3 million for major construction, \$5 million for unspecified minor construction, and \$0.5 million for planning and design. Of these, the request includes \$4.6 million for environmental improvements, and \$400,000 for health and safety improvements.

There is \$12.4 million to support new mission endeavors, and \$28 million is dedicated to accomplishing additions, alterations, and rehabilitation.

Today's challenges are not insurmountable, and the Army National Guard will continue to provide excellent facilities within the resources made available.

On behalf of the more than 410,000 Army National Guard men and women who are serving their country and hometown communities, I want to express my appreciation for the efforts of this committee, and your past support of the Army National Guard.

Mr. Chairman, this concludes my statement. I am prepared to answer your questions.

Senator SASSER. Thank you, General. General Kilmartin, I think is next.

#### ARMY RESERVE

General KILMARTIN. Mr. Chairman, Senator Gorton, Senator Stevens, I am Brig. Gen. Tom Kilmartin, the Deputy Chief of the Army Reserve.

It is my pleasure to be here today with you, representing more than 600,000 men and women citizen-soldiers of the Army Reserve. I am going to present very briefly the Army Reserve's military construction program for fiscal year 1994.

During the last decade the number of soldiers in the Army Reserve grew very rapidly, along with an increase in missions. Consequently, there was no corresponding growth in the facilities needed to accommodate the soldiers and the new missions.

As a result, the Army Reserve, presently owns only 58 percent of its required facilities. The Army Reserves stand last among all the components, with regard to adequacy of facilities.

This has lead to a utilization average of over 200 percent at some of our facilities. This equates to 25 percent of our existing Army Reserve facilities failing to meet Army standards. We currently have a \$1.9 billion backlog of known construction requirements.

In our fiscal year 1994 major construction program we plan to build five new Reserve centers. Additionally, we plan a major alteration to one of our centers, which is a marine facility.

We plan to acquire land for future construction of one USAR center. Also included in the fiscal year 1994 program we will construct the first of four battle projection centers. The total amount of our major construction for fiscal year 1994 is \$75 million.

In our unspecified minor construction program, that will provide for construction not to exceed \$400,000, we have a modest \$2.1 million. Our requirement for planning and design for future projects is \$4.9 million. Our total request for fiscal year 1994 is \$82.2 million, which I might add, is the exact average for our past 5 years.

We appreciate all the help and support that we have had from this committee in the past. We thank you for the privilege of being here again. Thank you again for all your support. That concludes the end of my statement.

Senator SASSER. Thank you, General. Colonel Harvey?

#### BASE REALIGNMENT AND CLOSURE OFFICE

Colonel HARVEY. Mr. Chairman, I appreciate the opportunity to appear before you and discuss the Department of the Army's program for implementing and executing the various base realignment and closure initiatives.

My comments today will briefly describe the status of the major base closure and realignment programs within the Army. Our ef-

forts in the base realignment and closure program revolve around three major principles. First, we want to close and realign bases expeditiously, to attain predicted cost reductions.

Second, we are making every reasonable effort to assist our civilian employees caught in the turbulence of the realignments and closures. Finally, we are working with local communities to re-use the bases in a manner which will help them recover from the economic loss of the base.

The Army is in the midst of a massive program to divest itself of excess installations on a worldwide basis. We must look across the full spectrum of our bases, and determine which best meet future requirements, as defined by the changing national military strategy.

We must keep and maintain those that provide the facilities necessary to respond to crises throughout the world.

The first round of base realignments and closures, developed by a commission, chartered by the Secretary of Defense in 1988, included initiatives to eliminate unnecessary installations, and improve the efficiency of the base structure. This initiative, called BRAC I, is progressing and is on track.

In terms of actual realignments and closures to date, we have closed 60 sites, including 49 stand-alone housing sites. The first major installation to close will be Fort Sheridan, IL, this June.

The Army has generated net revenues from sale of property of approximately \$54 million, and has commitments for an additional \$28 million in fiscal year 1994. All required actions in this round will be completed by September 1995.

The force reductions overseas allow the return of Army installations to host nations. Since September 1990, the Department has announced the return of 461 of these Conus sites, as of the 7th of May. That number is now 484 sites.

The return process involves preparing an environmental status report, which provides the current condition of property being returned to the host nation. We have not engaged in an environmental restoration program at Oconus bases being returned to host nations as we have in the United States.

The Army is currently in the initial execution phase for the realignments and closures announced in 1991. During fiscal year 1993, the Army is focusing on four major areas, completion of appropriate National Environmental Policy Act documentation, planning and designing for facilities, execution of construction projects, and realignments of units to gaining installations. Activities in fiscal year 1994 will continue this effort.

In summary, we are making significant progress in the reshaping of our worldwide base structure. The three reshaping initiatives I have just described reflect a commitment to rationally tailor the base structure to a decreasing force structure.

We will continue this same effort when the 1993 recommendations are finalized and approved for execution. We have already commenced planning for implementation of these recommended actions.

Sir, this concludes my opening remarks.

Senator SASSER. Thank you very much, Colonel. Does that conclude all your testimony, Mr. Johnson?

Secretary JOHNSON. Yes, sir.

Senator SASSER. I want to take the occasion this morning to welcome Senator Gorton to the committee in his new position as ranking member.

I think this is a very beneficial acquisition for the subcommittee, Senator, and we welcome you here this morning, and look forward to working with you in the coming months.

Senator GORTON. Thank you very much, Senator Sasser. I am equally pleased to be here. I am looking forward to this and other hearings regarding projects that are of importance to the country, and to the Senate of the United States.

Senator SASSER. Thank you. I want to thank each of you for your testimony here today, and make just a few observations. Now, Mr. Johnson, the request for the Active Army is 84 percent over last year's appropriation; however, the request for the Army Guard is 76 percent under last year's.

Now, the question that comes to mind is: Why does the Army continue to treat the National Guard as kind of a second-class citizen when it comes to military construction? It appears to me that we ought to be muscling up somewhat with our Guard and Reserve units, now that the Active Force is being reduced.

#### ARMY NATIONAL GUARD CONSTRUCTION

Secretary JOHNSON. You may recall last year, Mr. Chairman, that we had what we call a construction pause. That came about because of the direction from the Secretary of Defense that says we could only include projects in our program that were class I-type environmental restoration or safety type projects. Now, that left a zero submittal for the Reserves, and only \$4.2 million for the National Guard.

Senator SASSER. Can you pull that microphone a little closer, please?

Secretary JOHNSON. OK, sir. But, as you know, because of the will of the Congress, and what they added to the program, they came up with, actually, for the Guard, \$210 million, and for the Reserve, \$42 million.

Now, we think that the way we have put the program together now is a balanced program. And this has gone to Defense, and everybody sits at a table and competes for part of the pie. The pie is kind of small, and we think this is a balanced program, that we have submitted to the Congress.

Senator SASSER. Well, what is the current backlog for the Army National Guard?

General D'ARAUJO. Sir, our construction backlog runs about \$3 billion. That is based on the Army's standard of replacement of 1.75 percent of the inventory. For us, that equals about 53 armory facilities per year. And our average facility is now 32 years old.

Senator SASSER. Well, now, the request before us for the Army Guard is for \$50 million. And at that rate, the Guard is never going to catch up with requirements, and Guard facilities continue to deteriorate around the country.

Is there any reason why the subcommittee should not reallocate some of the increase you have requested for the active service to the Guard, Mr. Johnson?

Secretary JOHNSON. Mr. Chairman, we feel that the Army has submitted a balanced program for both the Active and the Reserve components, and we would stand on our submittal. That is our recommendation, sir.

DEMILITARIZATION INCINERATOR, ANNISTON, AL

Senator SASSER. Well, you are also requesting \$111 million for construction of a chemical weapons demilitarization incinerator at Anniston, AL. Now, that project has been the result of various State regulatory delays. What is the status of all the permits you need to proceed with this construction.

Secretary JOHNSON. Mr. Chairman, I have with me today the program manager for DEMIL, Mr. Baronian, who can answer that in great detail.

Mr. BARONIAN. Sir, currently, the only environmental permit that remains to be received is the Resource Conservation Recovery Act permit and clean air permit from the State of Alabama. Recently, we got our second spate of comments from the State of Alabama. We are addressing those comments now.

In our discussions with the State of Alabama, I can quickly summarize it by saying the following, they feel confident that we will be able to satisfy the written requirements of the State somewhere in the November–December timeframe this year.

However, Congress did direct an alternatives technology report to be provided to Congress in December of this year. They will not have any public hearings on that permit, which is required by law, until they receive that alternative technology report.

Summarizing all that, it appears that in our discussions, that unless something unusual happens in the alternative technology report, that we can expect to get the permit in the March–April timeframe of this year. We have currently scheduled that award to take place of March 1994.

Senator SASSER. So you think you can get the project under contract in fiscal year 1994, is that what you are saying?

Mr. BARONIAN. Yes, sir; in the March–April timeframe, sir.

Senator SASSER. Senator Gorton wishes to followup on this question.

Senator GORTON. Well, do you mean you will get it under contract, or get all of the final permits?

Mr. BARONIAN. Both, sir. The only permit left is that one permit, and we are planning to get that in the March–April timeframe as well as make the award in the March–April timeframe.

Senator GORTON. Do you realistically think that you are going to need this money in fiscal year 1994? What happens if you do not get it until October 1, 1994, for fiscal year 1995?

Mr. BARONIAN. I wish I could say it would just be a one-for-one delay, but the MCA money is only part of the money that is required to build one of these facilities. So we would have to look at our procurement moneys, which buy equipment, and give you a very good answer to that question.

But if I assume that the equipment moneys would be made available, then the delay would be commensurate with the March to October delay, the 7 months or so that you are referring to, sir.

Senator GORTON. Thank you.

Senator SASSER. Now, Mr. Johnson, what are your requirements in fiscal year 1994, if the third round of base closures is approved by the Base Closure Commission, and the Base Closure Commission's recommendations are approved by the Congress?

Secretary JOHNSON. As you know, that is still over at the Commission, and we have not developed our requirements yet, with the construction requirements coming along in 1995. But I would like for Colonel Harvey to elaborate on that.

Colonel HARVEY. Sir, we do not have a program developed yet. The recommendations the Army sent to the Commission, that program is under development by our Army major commands.

We have requested from OSD approximately \$35 million in the 1994 budget to support our program, for just fiscal year 1994. But the use of that \$35 million is a little bit undefined, because we are not sure exactly what our program is going to consist of.

#### BRAC 93 FUNDS

Senator SASSER. Well, I note the Department did not request funds specifically for round three of the base closure process in the Milcon bill. Is that accurate?

Colonel HARVEY. That is correct.

Secretary JOHNSON. Sir, are you talking about OSD?

Senator SASSER. Yes.

Secretary JOHNSON. We did not request any funds in the 1994 program for BRAC 93 construction.

Senator SASSER. Well, we have been advised that there is \$1.2 billion in legislative contingency in the Defense bill, which could be applied toward round three, but we are also advised that the Department has reduced the Defense bill by \$1 billion, on the basis of projected savings that were anticipated to come from base closure three.

So, first, what we have is a situation where there is no pending requests before the subcommittee, and second, any reallocation we can expect to receive from the Defense Subcommittee, in my view, is going to be in the neighborhood of \$200 million.

So I think we have a rather serious disconnect here in the request. This subcommittee could very well be short \$1 billion, if we are to fully fund these base closures. So I hope the services will be thinking about how they are willing to pay for their base closure three requirements, in addition to everything else that they have requested. It appears to me that this presents us with a problem.

Let me yield at this juncture to Senator Gorton.

Senator GORTON. Thank you, Mr. Chairman. General Sobke, is that the correct pronunciation?

General SOBKE. Some do, in other parts of the family, but it is Sobke.

Senator GORTON. All right. Can you tell me, with respect to an appropriation for the last couple of years, the status of your land acquisition at the Yakima Firing Center?

General SOBKE. Yes, sir. Last year we spent time going through the negotiation phase with native Americans primarily, and doing the planning for that acquisition at Yakima. I think the cost is about \$18 million.

Now, we are in the acquisition stage. Ten percent of the land has been acquired. We expect to acquire most of it by the end of this fiscal year, with the exception of some BLM land, which will take some legislation in order to make that available to us. So the acquisition—

Senator GORTON. Are you asking for the legislation?

General SOBKE. BLM is, sir. I am not doing it. Yes, sir.

Senator GORTON. Has any of the construction work been started or completed?

General SOBKE. No, sir. It is about 65 percent designed. We expect to start it this year.

#### ARMY GUARD CONTRACTING TECHNIQUES

Senator GORTON. General D'Araujo, we understand that the Corps of Engineers has developed a concept of partnering with general contractors. They are very happy with it. It has also reduced a great deal of the controversy and the ex post facto claims which have come up.

Does the Guard follow similar techniques in its construction?

General D'ARAUJO. We do, Senator. As you are aware, most of our construction projects go through State contracting procedures. There is a planning conference process that we go through in that regard. Most of the States have that provision in their contracting process.

I am not familiar with all the details of what you are describing with the Corps of Engineers, but we will certainly get with the Corps—

Senator GORTON. Well, you have some of them right there. It has been a very successful program, has it not, General?

General SOBKE. Yes, sir, it has. As a matter of fact, the model project is probably the J-6 rocket test facility construction at Tullahoma, TN, about a \$230 million project, which went absolutely superbly, from every point of view, safety, labor relations, on time, under budget.

I cannot say enough for it. That is the model, at least as far as I am concerned, and one that we are holding up for the rest of the country and the rest of the industry to copy.

Senator GORTON. We would hope that the Guard would follow that lead. It sounds like a major step forward.

General D'ARAUJO. Yes, sir, it does. We will certainly get to the Corps on that. However, as I mentioned—

Senator GORTON. Do you have to go through various State laws and State requirements?

General D'ARAUJO. Generally, it is true for most of the facilities we build in each State. And there is a mechanism for a planning conference with the contractors. However, I will get into the details of what you just referred to here.

#### ARMY RESERVES—FORT LAWTON

Senator GORTON. This one is for General Kilmartin. General, this will certainly not be something for fiscal year 1994, but an Army Reserve command, which is now located at what used to be Fort Lawton, at old Fort Lawton, in Seattle, has made a request for two

buildings at the Sand Point Naval Station, which is being closed, in order to get a higher quality of buildings.

I wonder if you could get for me any rough estimate as to the cost of that move, both the cost of leaving and abandoning the very old buildings at Fort Lawton, and a rough estimate of what the cost would be at Sand Point to convert the buildings which are sought by the Army Reserve.

As I said, this is not going to be something we will be spending money on in this next fiscal year, but the decision as to what direction the city wishes to go with each of these changes, and the impact on the community is something which would be very much helped by having a cost estimate.

General KILMARTIN. Senator, based on our previous conversations this past week between my office and your staffers, my engineering office is prepared to go to Seattle in the very near future to talk to the folks there.

Senator GORTON. Good.

General KILMARTIN. We should have that information for you very shortly.

Senator GORTON. Thank you very much. Thank you, Mr. Chairman.

Senator SASSER. Thank you, Senator Gorton. Senator Stevens?

Senator STEVENS. Thank you very much, Mr. Chairman. General Kilmartin, you mentioned the new centers that are to be built for the Army Reserve. I note that one of those is in Anchorage. What needs are these new centers supposed to fulfill?

General KILMARTIN. The existing center that we have now, and the one we have planned for fiscal year 1994, sir, is at Fort Richardson. The proposed construction is an expansion project. The existing facility is woefully inadequate.

The soldiers do not have the facilities to efficiently work in. They do not have the proper maintenance facilities to accomplish their training mission. With the harsh weather, it is a real problem for us.

Simply, the facilities that we now have are inadequate, they need to be replaced, and that is one of our higher priority items.

Senator STEVENS. Is it to be built on the base at Fort Richardson?

General KILMARTIN. Yes, it is, Senator.

#### ARMY HOUSING UNITS—ALASKA

Senator STEVENS. Thank you. General Sobke, last year Congress earmarked some additional funds to accelerate the upgrades for the Army housing units in Alaska. I have been informed that because of allocated reductions those housing programs were impacted.

Can you tell us, are there any moneys in the 1994 budget to make up for those that were lost in the renovation program for Alaska?

General SOBKE. No, sir. We have nothing in the 1994 program. I am aware of what you are talking about. I have personally dealt with it. It was unfortunate, but we did get a cut. It had to be spread across the Army, sir.

Senator STEVENS. I understand that. But in allocating the funds this year, are you not going to catch up with the units that were deleted, because of the other allocated cut last year?

General SOBKE. We do not plan to at this time, sir.

Senator STEVENS. Can you tell me the reason for that? There were housing units at all three bases, Wainwright, Richardson, and Greely. I understood that you were talking about World War II facilities.

All of these that we were talking about upgrading were World War II. Eight-plexes were to be made into four-plexes. Four-plexes were to be made into two-plexes. You added kitchens, such as you had noted in one of your photos there. But part of them are renovated, and part are not.

General SOBKE. Yes, sir.

Senator STEVENS. It is hard for the morale of the people assigned there to figure out who gets the top of the totem pole, and who goes to the foot.

General SOBKE. Very honestly, sir, it is because the future of the Sixth Division is not yet completed. Until we know that, we will not know whether we have a requirement for renovation and continued upgrade of those facilities.

Senator STEVENS. Well, now, when General Sullivan was up there with me this year he said that the plan was completed. We were going to downsize the division to a brigade. But in terms of the housing I am talking about, no one has told me that there will be no need for that housing.

General SOBKE. Well, I will have to get you a better answer, sir. I will look into it.

Senator STEVENS. I hope you will, because that is something I literally have not run into before, when we looked over the testimony that was prepared for today. Those bases are not on the base closure list.

Is the Army going to change the position with regard to Fort Wainwright and Fort Richardson, since the base closure list was—

General SOBKE. Not to my knowledge, no, sir. But I will just go back to the fact that while the plan may be somewhat far along, as far as your discussions with the Chief are concerned, you know, the actual stationing has not been completed, and until that takes place, we are not prepared to go ahead and continue renovation projects. As soon as that is settled out, we will take care of it, sir.

Senator STEVENS. When do you think we will get that information?

General SOBKE. By the end of fiscal year 1994, sir.

Senator STEVENS. By the end of fiscal year 1994? The division is supposed to be downsized by September of this year. As a matter fact, when you talk about downsizing—

General SOBKE. We will have the plan by the end of fiscal year 1993, sir.

#### OFF-BASE HOUSING—ALASKA

Senator STEVENS. I see. Well, I think this adds a serious problem for us, because we have recently instituted a program to meet the

announced needs of the Army for off-base housing, because of the discontinuation of the 801 and 802 programs.

I think what this will do is, it will stall those programs off base. Why should we build new housing off base for the Army, if the Army is not going to complete the ongoing renovation?

As I understand it, those—well, I have seen them. I have seen some of them that have already been upgraded. So part of the housing facilities on each of those bases will be upgraded, and the balance is just to be left hanging until the end of 1994, is that correct?

General SOBKE. Well, we should know something which will give us sufficient guidance to know what to do in the fiscal year 1995 program by the end of this year, sir. That is about where I have to leave it. I cannot offer anything further than that.

Senator STEVENS. Are there any other bases in the country that are treated the same way, as far as that unallocated reduction? Did you apply that to any other housing in the United States on Army bases?

General SOBKE. I would say that we followed it as a general principle. Just a second. It was a \$50 million reduction, sir. We had to look at every place which could be affected by the force structure changes in the Army, and we applied that principle wherever it applied.

Senator STEVENS. Will you give me a list, for the record, of the areas where it was applied, outside of Alaska?

General SOBKE. Yes, sir.

Senator STEVENS. Because, to my knowledge, it was less than \$10 million applied to Alaska, but that is still, out of \$50 million nationwide, an area that, as I understand it, is still to be continued as the Light Brigade.

The housing requirements for the Light Brigade personnel are not that different from the Light Division, because the Light Division was not at full strength.

I really would like to have that. I think that your failure to recognize the continued need of modernization in those same areas is going to destroy the housing program for Alaska. I am talking about off base.

#### LEASED HOUSING—EUROPE

What about in Europe? I understand that we are getting termination costs down in Germany, under the rental program, where the United States guarantee of leases for military personnel has lead to some increased costs, is that correct?

General SOBKE. Yes, sir, it has. As a matter of fact, we have had, between fiscal year 1993 and fiscal year 1994, a reduction from 10,500 to 8,100 leases. Of course, when those people are either brought home or sent to other places in Germany, we terminate the leases, and that results in increased costs.

Senator STEVENS. Does the Government of Germany contribute at all to the housing requirements for United States personnel and their families stationed in Germany now?

General SOBKE. Not to my knowledge.

Senator STEVENS. Do they contribute at all to those termination costs?

General SOBKE. No, sir; those are leases that we signed, and, as far as I know, the Germans are not contributing to that. However, there is a program to obtain residual value for the facilities that we are turning over.

We have received some 5 million marks toward that account already, and recently Germany agreed to build the Hohenfels sewer system, a project that is badly needed, as an offset to transfer of funds to the United States.

Senator STEVENS. Have you utilized the authority of the 1993 Defense appropriations bill yet for the residual value payments from NATO host nations in Germany? Did you exercise the authority that was contained in this year's appropriations bill?

General SOBKE. It was the language in the authorization bill which was used for the Hohenfels sewer system, sir.

Senator STEVENS. That was in our bill. What does your 1994 budget request do, as far as residual value payments from Germany for new construction projects for the Army and Germany? What is in this bill?

What assumptions do you make in this bill before us now for the utilization of residual value payments from Germany for new construction projects for the Army and Germany?

General SOBKE. The first one is a test case, which is the Hohenfels sewer system. We are going to then proceed with a Grafenwoehr landfill, which is about a \$20 million project. That will be the assumption for the next project for Germany.

Senator STEVENS. Do you have a figure? How much does it cost us to proceed with these projects? You estimated last year that the residual value settlement for 1993 could be as much as \$600 million. How much of it has materialized?

General SOBKE. So far, just the amounts that I have told you, which was the 5 million marks, sir, that came back for properties that were previously turned over prior to 1990, and the recent payment-in-kind for the Hohenfels sewer system. Those are the only two of which I know.

Senator STEVENS. Well, is there a comparable value in the 1994 budget request that is comparable to the \$600 million that you estimated last year for this year?

General SOBKE. No, sir.

Senator STEVENS. Do you have a value for the termination costs under the rental program?

General SOBKE. I can get that for you. I do not have it right now.

Senator STEVENS. I would like to see that, Mr. Chairman, if we could get it. I think it is costing us a lot more to reduce our force over there than was estimated.

I think we ought to have more understanding from the government of Germany concerning those costs. Under the host nation support, they did provide for some of the costs, but as we are leaving, they are not providing any contribution to the cost of our withdrawal, am I correct?

General SOBKE. Sir, that is way out of my area. So all I can tell you is the portion that I know about, which is the residual value portion for the facilities portion. When you get into burdensharing, I will have to have somebody from the policy portion of the Defense Department come talk to you about that.

Senator STEVENS. All right. Thank you very much. I will look forward to your report on that Alaska situation. That disturbs me. I personally went up there with General Sullivan.

We urged the communities to provide the off-base housing. It was extremely disturbing to hear that you have stopped in midstream the modernization of those World War II homes in Alaska. I think that is going to destroy the off-base housing program, as I said. I would appreciate it if you would respond to that question.

General SOBKE. Yes, sir. We will.

Senator STEVENS. Thank you very much. Thank you, Mr. Chairman.

[The information follows:]

#### FISCAL YEAR 1993 ARMY POST ACQUISITION IMPROVEMENT PROGRAM

[Dollars in thousands]

| MACOM/location                             | No. of units | Program amount | Funding deleted | Funding provided |
|--|--------------|----------------|-----------------|------------------|
| <b>AMC:</b>                                |              |                |                 |                  |
| Aberdeen PG .....                          | 28           | \$1,150        | \$1,150         | .....            |
| Aberdeen PG .....                          | 26           | 2,250          | 2,250           | .....            |
| Fort Monmouth .....                        | 51           | 3,550          | 3,550           | .....            |
| Letterkenny AD .....                       | 37           | 1,300          | 300             | \$1,000          |
| Redstone ARS .....                         | 120          | 9,700          | .....           | 9,700            |
| Tooele AD .....                            | 5            | 350            | 350             | .....            |
| <b>USAREUR—Vilseck .....</b>               | <b>12</b>    | <b>570</b>     | <b>.....</b>    | <b>570</b>       |
| <b>FORSCOM:</b>                            |              |                |                 |                  |
| Fort Hood .....                            | 220          | 10,000         | .....           | 10,000           |
| Fort Lewis .....                           | 32           | 3,450          | .....           | 3,450            |
| Fort Riley .....                           | 185          | 13,000         | .....           | 13,000           |
| Fort S Houston .....                       | 150          | 13,800         | 3,400           | 10,400           |
| <b>ISC—Fort Ritchie .....</b>              | <b>336</b>   | <b>4,300</b>   | <b>.....</b>    | <b>4,300</b>     |
| <b>MDW—Fort Belvoir .....</b>              | <b>73</b>    | <b>4,950</b>   | <b>.....</b>    | <b>4,950</b>     |
| <b>TRADOC:</b>                             |              |                |                 |                  |
| Fort Benning .....                         | 221          | 8,800          | 3,100           | 5,700            |
| Fort Bliss .....                           | 278          | 17,500         | .....           | 17,500           |
| Fort Huachuca .....                        | 122          | 5,500          | .....           | 5,500            |
| Fort Knox .....                            | 418          | 18,000         | 18,000          | .....            |
| Fort Leavenworth .....                     | 1            | 10             | .....           | 10               |
| Fort Lee .....                             | 120          | 5,000          | 5,000           | .....            |
| Fort Lee .....                             | 1            | 30             | .....           | 30               |
| Fort Leo Wood .....                        | 69           | 4,050          | .....           | 4,050            |
| Fort Leo Wood .....                        | 100          | 6,000          | .....           | 6,000            |
| Fort McClellan .....                       | 162          | 5,400          | 5,400           | .....            |
| <b>USARPAC:</b>                            |              |                |                 |                  |
| Fort Richardson .....                      | 108          | 10,400         | .....           | 12,200           |
| Fort Richardson .....                      | 48           | 6,500          | 6,500           | .....            |
| Fort Wainwright .....                      | 56           | 5,700          | 5,700           | .....            |
| <b>Total .....</b>                         | <b>2,979</b> | <b>161,260</b> | <b>54,700</b>   | <b>108,360</b>   |
| Fiscal year 1993 funds requested .....     | .....        | 143,660        | .....           | .....            |
| Total fiscal year 1993 appropriation ..... | .....        | 92,600         | .....           | .....            |
| Prior year program savings available ..... | .....        | 15,760         | .....           | .....            |
| <b>Total funding available .....</b>       | <b>.....</b> | <b>108,360</b> | <b>.....</b>    | <b>.....</b>     |

## ENVIRONMENTAL COMPLIANCE

Senator SASSER. Thank you, Senator Stevens. Mr. Johnson, I want to address this question to you and your colleagues. The Army, again this year, has failed to request any significant environmental compliance funding for military construction projects.

Now, this comes at the same time that the Air Force and the Navy are requesting programs in the hundreds of millions of dollars for environmental compliance programs.

The question I have is: What accounts for the difference here? Are the Air Force and the Navy just more environmentally deficient than the Army? That was one possible explanation. What is the explanation here? Are you paying for your environmental compliance out of other accounts?

Secretary JOHNSON. Most of our environmental compliance is O&M, and we are asking for some O&M money in the 1994 program. Most of theirs is Milcon. I think each of the gentlemen here has their own compliance program, and may want to speak to it.

General SOBKE. I can probably summarize the totality of the environmental contributions, sir. Out of OMA, OMA for the National Guard, if you will permit me, and OMA for the Reserves, the MCA program, and other accounts, the total for compliance, conservation, and pollution prevention is some \$660 million in fiscal year 1994.

If we add to that the defense environmental restoration account [DERA], which account for the current sites, the former sites, and other activities within the DERA, that is another \$1.25 billion. So the total that is either passing through our executive agency hands or going toward cleanup of Army facilities is about \$1.93 billion.

Senator SASSER. Well, I want to commend the Army in your family housing operations and maintenance accounts. You are cutting operating expenses by more than 10 percent from last year's appropriation. In addition, you are trimming maintenance by almost \$100 million.

The question comes: What accounts for these reductions? Are you being more efficient, I hope, or did we simply appropriate too much money for these activities last year?

General SOBKE. We can say that the operations reductions, sir, is due to reduced inventory and some reduced exchange rates. Very frankly, the maintenance reduction is due to elimination of all major repair projects overseas, reduced foreign currency rates, reduced overseas inventory, as we withdraw from Europe.

However, the maintenance funding is inadequate to prevent the growth of the deferred maintenance and repair in our family housing inventory, and that is projected to grow from some \$717 million, at the end of fiscal year 1993, to \$841 million in fiscal year 1994.

I think what you are really seeing here is the overall constraints on the amount of funds that are available to go into family housing, and not, as one might say, a sudden burst of efficiency on our part.

Senator SASSER. Well, I want to commend the Army for proceeding with the barracks renovation initiative that you—

General SOBKE. Thank you, sir.

## BARRACKS RENOVATION—FORT CAMPBELL

Senator SASSER [continuing]. Demonstrated with your slides here, General Sobke. I have seen the need personally for barracks renovation at Fort Campbell—

General SOBKE. Yes, sir.

Senator SASSER [continuing]. Kentucky, and I believe the funds that you apply toward updating the barracks are going to reap dividends for the Army in the future. What are your long-term plans for the Barracks Renewal Program?

General SOBKE. Sir, if we really look at the figures, we need to upgrade some 160,000 spaces across those places where we think the Army is going to be in the future. At the rate of \$250 million, to, say, \$300 million a year, that is going to take \$4 billion to \$5 billion, and a 15-year commitment to this program.

So long term, I would say, to build to the standard that we are talking about, that I described in my opening remarks, it is going to take at least 15 years. By that time, we will have to go back and take a look at some of those facilities which are in good shape now, but will need an upgrade at that point in time.

Senator SASSER. That is 15 years at how much per year were you saying?

General SOBKE. Between \$250 million and \$300 million, sir.

Senator SASSER. That is \$250 million and \$300 million a year.

General SOBKE. Yes, sir.

Senator SASSER. I have one final question. The House version of the supplemental includes some language extending the appropriation for the Homeowner's Assistance Program. Describe this program for us, and tell us why the House language is necessary, if it is?

General SOBKE. Sir, this is basically a technical correction to the fiscal year 1993 appropriations act. The Homeowner's Assistance Program funds were only appropriated as 1-year funds instead of the normal method of being available until expended. The fund is a revolving fund, and the money should be available until expended, sir.

Senator SASSER. Gentlemen, thank you for appearing here this morning.

We undoubtedly will have additional questions, as we approach the markup, and I know that the Army will cooperate and respond as quickly as possible. Again, thank you very much for appearing here this morning.

Secretary JOHNSON. Thank you, Mr. Chairman.

General SOBKE. Thank you, Mr. Chairman.

General D'ARAUJO. Thank you, Mr. Chairman.

General KILMARTIN. Thank you, Mr. Chairman.



DEPARTMENT OF THE NAVY

STATEMENT OF REAR ADM. JACK E. BUFFINGTON, CEC, U.S. NAVY,  
COMMANDER, NAVAL FACILITIES ENGINEERING COMMAND

ACCOMPANIED BY:

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CILITIES AND SERVICES DIVISION, OFFICE OF THE DEPUTY  
CHIEF OF STAFF, INSTALLATIONS AND LOGISTICS  
REAR ADM. JOHN T. NATTER, U.S. NAVAL RESERVE, DEPUTY DI-  
RECTOR OF NAVAL RESERVE

INTRODUCTION OF ASSOCIATES

Senator SASSER. Our next panel will be from the Department of the Navy. We will suspend for a moment while the next panel takes its place. We will reconvene in 2 minutes.

[A brief recess was taken.]

Senator SASSER. The subcommittee will come to order. Our next panel, as I indicated earlier, is from the Department of the Navy. Representing the Navy today is Rear Adm. Jack Buffington. We welcome you here this morning, Admiral.

Admiral Buffington is the Commander of the Naval Facilities Engineering Command. Would you be kind enough, Admiral, to introduce your colleagues who are with you this morning, for the record?

Admiral BUFFINGTON. Yes, sir. This is Brig. Gen. Claude Reinke, representing the Marine Corps, and Adm. Jack Natter, representing the Chief, Naval Reserve.

Senator SASSER. Proceed with your statement, Admiral.

Admiral BUFFINGTON. OK.

SUMMARY STATEMENT

What we are requesting this year for conventional military construction, sir, is considerably less than what we requested last year. We requested a total of \$838 million last year. Of course, due to our self-imposed pause only \$288 million was for conventional military construction and the rest was for real property maintenance. But we are requesting \$655 million for conventional military construction this year.

We are really concentrating this year on environmental and safety. We want to rehab about 11 sewage treatment plants, 4 waste storage facilities, and 11 fire protection upgrades.

About 25 percent of our program is for environmental and safety. Another 25 percent is for quality of life projects. That is our new bachelor quarters, and rehabing barracks, and child development centers. The remainder of it is mission support, essential replacement, modernization, and for our Philippine withdrawal.

In our family housing program, we are asking for about a 19-percent increase, up to \$1,208 million. Where that comes in, both fam-

ily housing and barracks support quality of life, as you well know, sir, the Navy over the years has not really taken that good care of our people.

We sort of had the attitude if it did not float and it did not fly, we did not need it. We are trying to recover from that. Thanks to Admiral Kelso, and Assistant Secretary Pope, and Ms. Drew, and several other people, we have worked real hard over the last couple of years, and we are going to try and take a whole lot better care of our people in the future, realizing that we are going to be downsizing considerably.

We have about a \$2.1 billion backlog in our base housing. We are really going to try and work hard to recover from that.

In relation to base closure, since 1988 to 1994, we have had about a 40 percent reduction in our entire operating funds Navy-wide. We have a force structure that will handle almost 1,000 ships out there.

We are basing BRAC 1993 recommendations on 450 ships. That is what we are going down to, as far as the 1993 base closure cuts. And we know we are going to have to go a lot lower than that. So we are going to have additional cuts in 1995.

So we just really cannot afford to keep all those open. We are going to work real hard to do what is right. It is a real difficult time we are going through in the base closure, but we are going to do our best to close the right bases.

Overseas we are requesting \$18 million, which includes two child development centers, one in Rota, Spain, and one in Sigonella, Sicily. And then there is some work for the Naples relocation.

We are also asking for around \$15 million to buy some housing units in London. We have 81 housing units, which we have been leasing there, and this is our last opportunity to buy them. We can get a real good deal and save a considerable amount of money by doing that. We really would like to buy those units.

That is basically where we are right now. We do not have that many bases overseas. We only have about 19 bases. Our major base was Subic, which we have closed. And we have downsized horizontally most of our bases overseas. So there are pretty small numbers there.

#### PREPARED STATEMENT

That is all I have, sir. I will be happy to answer any of your questions. I think the General and Jack would like to say a little something here.

[The statement follows:]

#### STATEMENT OF REAR ADM. JACK E. BUFFINGTON

Mr. Chairman, I am Rear Admiral Jack E. Buffington, Commander of the Naval Facilities Engineering Command. I appreciate the opportunity to represent the Secretary of the Navy and the Chief of Naval Operations in reviewing the fiscal year budget submission for Military Construction (MCON) and Family Housing, Navy, and the Navy's portion of the Base Closure budget with you. Brigadier General Reinke, United States Marine Corps, will review the Marine Corps' portion of the request, and Rear Admiral John T. Natter, U.S. Navy is here to address the Navy reserve Military Construction program.

First, I would like to thank you for the continued support this Committee provides the Navy's Military Construction and Family Housing programs. In the past five years, your Committee has supported funding levels commensurate with, or above,

our budget requests. This support has enabled us to make progress in improving the Quality of Life for our sailors and marines, and correcting critical facility deficiencies.

Our Military Construction request this year is lower than our fiscal year 1993 amended request, but higher than the fiscal year 1993 enacted appropriations. However, the fiscal years' 1993 and 1994 requests cannot be directly compared, inasmuch as the fiscal year 1993 request included the transfer of \$551.3 million in repair and minor construction funds from the Operations and Maintenance (O&M) account to the MILCON account, which was denied. The fiscal year 1993 request also reflected the MILCON "pause", which severely limited the amount of construction funding requested.

Our Family Housing request is nineteen percent higher than the amended fiscal year 1993 request. This increase reflects Navy leadership's commitment to its premier Quality of Life program, in the development and support of the Navy's "Neighborhoods of Excellence" program.

The Navy is currently implementing two domestic base closure and realignment authorizations. Under the 1988 authority, the Navy is closing six installations and realigning one. The 1991 Commission recommended closing 16 Navy installations and realigning 18 activities. Included in the Secretary of Defense's 1993 Base Closure and Realignment recommendations were 60 active Navy and 52 Navy and Marine Corps reserve installations, and six changes to the 1991 BRAC Commission recommendations.

This budget request reflects the Navy's commitment to provide essential quality facilities within this austere fiscal environment. Additionally, it should be noted that the Navy's Military Construction, Family Housing and Base Closure budgets were prepared independent of the 1993 Base Closure and Realignment recommendations. Accordingly, the Navy's fiscal year 1994 funding requirements may have to be reassessed based on the final resolution of the 1993 Base Closure and Realignment recommendations.

#### MILITARY CONSTRUCTION, NAVY (MCON)

The fiscal year 1994 budget request for Military Construction, Navy is \$655.1 million. As mentioned above, this requested amount is lower than our fiscal year 1993 amended request of \$838.8 million, but it is significantly higher than the enacted appropriations of \$368.9 million. The following table compares the fiscal year 1994 budget request to the fiscal year 1993 amended request:

#### MILCON REQUEST SUMMARY

[In millions of dollars]

|   | Fiscal year— |                  |
|---|--------------|------------------|
|   | 1993 ABS     | 1994             |
| Conventional Milcon .....                         | 287.5        | 655.1            |
| Real property repair and minor construction ..... | 551.3        | ( <sup>1</sup> ) |
| <b>Total request .....</b>                        | <b>838.8</b> | <b>655.1</b>     |

<sup>1</sup> Funds requested in operation and maintenance accounts.

We have made a concentrated effort to ensure that within the funds available, our budget request provides funding for essential Mission Support and Quality of Life projects, and non-deferrable Environmental and Safety Compliance projects necessary to support our operating forces. It reflects a consistent increase in support of Quality of Life projects, such as construction and modernization of bachelor quarters, while maintaining a balanced funding of Mission Support and Environmental and Safety Compliance projects. The Navy anticipates increased emphasis on deferred replacement and modernization projects in future budget requests.

The Navy's Military Construction request includes 104 projects, compared to 39 requested in fiscal year 1993, and reflects a deliberate approach to fund those requirements that cannot be deferred. Each of the requested projects meets one or more of the following program criteria:

| Criteria                                  | No. of projects | Cost          |
|---|-----------------|---------------|
| Environmental and safety compliance ..... | 28              | \$149,000,000 |
| Quality of life .....                     | 23              | 148,000,000   |
| Mission support .....                     | 38              | 211,000,000   |
| Philippine withdrawal to Guam .....       | 12              | 72,000,000    |
| Treaty .....                              | 3               | 5,000,000     |
| P&D and UMC .....                         |                 | 70,000,000    |
| Total .....                               | 104             | 655,000,000   |

As indicated in the table above, the majority of the Navy's request is for Environmental and Safety Compliance, Quality of Life, and Mission Support, which includes both new requirements and replacement and modernization projects.

The \$149 million requested for Environmental and Safety Compliance projects includes construction or upgrades to 11 sanitary and wastewater treatment systems, 4 hazardous waste storage and handling facilities and 5 fire protection upgrades. These projects will correct existing violations of environmental and safety laws, regulations and codes.

To improve the Quality of Life for our sailors and marines, this budget requests \$148.3 million for the construction of seven barracks, providing 2,822 new living quarters, and 9 new Child Development Centers, and modernization of 5 existing barracks. Quality of Life projects account for nearly one-quarter of the Navy's fiscal year 1994 Military Construction request, compared to only 15 percent of recent years' programs.

We have requested \$141.4 million for facility replacement, modernization and improvements, as part of our Environmental and Safety Compliance, Quality of Life, Mission Support and Philippine withdrawal categories. This equates to approximately one-quarter of our Military Construction budget. The Navy anticipates placing renewed emphasis on the replacement and modernization of our aging shore establishment in future budgets. Efficient facilities that enhance productivity, improve quality of life in the workplace and reduce the cost of ownership will be essential as budget, personnel and force structure are reduced.

The fiscal year 1993 request for Navy Military Construction overseas projects was \$12.5 million. I respectfully request that you give favorable consideration to our somewhat larger, but critical, \$18.1 million request this year. This year's overseas program includes three Quality of Life projects: dining and recreational facilities for Naval Support Activity, Naples, Italy; and Child Development Centers at Naval Station, Rota, Spain and Naval Air Station, Sigonella, Italy.

#### FAMILY HOUSING

The Department of the Navy's total fiscal year 1994 budget request for family housing is \$1,208 million. This 19 percent growth in family housing over our fiscal year 1993 request reflects Navy leadership's commitment to its premier Quality of Life issue by providing the necessary resources for Navy's "Neighborhoods of Excellence" program. This program will upgrade our aging inventory; provide quality customer services to our families; and acquire a limited number of new homes in keeping with our projected force level. The following table summarizes our fiscal year 1994 request in comparison to the fiscal year 1993 amended budget:

#### FAMILY HOUSING REQUEST SUMMARY

[In millions of dollars]

|                              | Fiscal year— |         |
|------------------------------|--------------|---------|
|                              | 1993 ABS     | 1994    |
| New construction .....       | 108.5        | 160.1   |
| Improvements .....           | 198.3        | 190.7   |
| Planning and design .....    | 14.2         | 22.9    |
| Family housing support ..... | 696.7        | 835.1   |
| Total .....                  | 1,017.2      | 1,208.8 |

The fiscal year 1994 request provides for 1,309 new and replacement homes at six locations. The new homes are critical to support our families stationed in areas where suitable housing in the local community is not available. Over one-half of the new construction request will replace homes that are deteriorated, structurally unsound, and not economical to revitalize. Also included in this request are three support facilities that provide space to warehouse appliances, store and distribute self-help materials, and provide a convenient place for family/neighborhood activities.

This request includes \$190.7 million for the Improvements program to revitalize our aging homes and bring them up to contemporary standards; comparable to those found in the local community. This \$59.8 million increase over the enacted fiscal year 1993 appropriation includes funds to reduce our \$2.1 billion backlog. In keeping with the Neighborhoods of Excellence concept, our fiscal year 1994 request emphasizes whole neighborhood revitalization projects where all required improvements and repairs in a housing area are done concurrently.

Our leasing request of \$113.3 million supports our ongoing domestic build-to-lease projects and the foreign leasing program. The Navy has 2,185 build-to-lease units occupied at seven locations: Earle, New Jersey (300); Norfolk, Virginia (300); Mayport, Florida (200); Woodbridge, Virginia (600); Staten Island, New York (145); Pensacola Florida (40); and Twenty-nine Palms, California (600). Additionally, 1,829 units are under construction at four locations: 855 at Staten Island, New York; 300 at Port Hueneme, California; 260 at NAS Pensacola, Florida; and 414 units of a joint Navy/Air Force 1,242 unit project in Prince George's County, Maryland.

Our Operation and Maintenance request of \$721.7 million includes \$366.1 million for operations and utilities and \$355.6 million for maintenance. The increase in the operations accounts, over our fiscal year 1993 request, will assist families in finding affordable housing on the economy by enhancing housing referral services through expanded office hours, automated housing/neighborhood listings and information, and showing services. The increase in the maintenance account will allow for an expanded self-help program, service calls performed evenings and weekends and minor repairs to reduce the repair backlog.

#### BASE CLOSURE

The Navy is currently implementing two domestic base closure and realignment authorizations: (1) the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526), referred to as "BRAC 88"; and (2) the Defense Base Closure and Realignment Act of 1990 (Public Law 101-510). The BRAC 1990 Act established three "rounds" of base closure nominations in 1991, 1993, and 1995. Under BRAC 88, the Navy is closing six installations and realigning one. As a result of the 1991 recommendations, referred to as "BRAC 91", the Navy is closing 16 installations and realigning 18 activities. With one exception, the realignment actions are tied to Navy's lab consolidation initiative.

Our base closure implementation plans are on schedule to meet or precede the six-year closure deadline, with the exception of some environmental restoration actions. The following is a partial schedule of our BRAC 91 closure and realignment actions:

|                               |  |
|-------------------------------|--|
| NAS Chase Field, TX .....     | Ceased mission September 1992.         |
| CBC Davisville, RI .....      | Deactivation closure February 1, 1993. |
| NS Long Beach, CA .....       | Closure fiscal year 1994.              |
| NAS Midway .....              | Cease mission fiscal year 1996.        |
| NAS Moffett, CA .....         | Drawdown fiscal year 1992.             |
| NS/NSY Philadelphia, PA ..... | Cease mission fiscal year 1994.        |
| NS Sand Point, WA .....       | Cease mission fiscal year 1996.        |
| MCAS Tustin, CA .....         | Cease mission fiscal year 1995.        |
|                               | Cease mission mid fiscal year 1997.    |

The Navy is establishing action offices, within existing organizational structures, to most effectively execute base closure actions. The Assistant Secretary of the Navy (Installations and Environment), the Chief of Naval Operations and the Marine Corps Deputy Chief of Staff for Installations and Logistics provide policy and oversight. The Naval Facilities Engineering Command provides design, construction, environmental studies and cleanup, real estate disposal actions, and serves as caretaker for operationally closed bases. Finally, the base commanders of affected installations plan, budget, and execute the closures or realignments.

The Navy's portion of the fiscal year 1994 domestic base closure request is \$906.2 million for BRAC 91. No funding is requested for BRAC 88 actions. Of these amounts, approximately \$593.4 million are for conventional military construction

and family housing projects. The following table illustrates the funding profiles and total costs for fiscal years 1990 through 1997.

#### BASE CLOSURE 1988

[In millions of dollars]

|                      | Fiscal year— |      |      |      |       |
|----------------------|--------------|------|------|------|-------|
|                      | 1990         | 1991 | 1992 | 1993 | 1994  |
| One-time costs ..... | 79           | 70   | 36   | 97   | ..... |
| Net savings .....    | -8           | -26  | -77  | -66  | -81   |
| Total .....          | 71           | 44   | -41  | 31   | -81   |
|                      |              |      |      |      | -77   |

#### BASE CLOSURE 1991

[In millions of dollars]

|                            | Fiscal year— |       |       |       |        |
|----------------------------|--------------|-------|-------|-------|--------|
|                            | 1992         | 1993  | 1994  | 1995  | 1996   |
| One-time costs .....       | 68           | 352   | 906   | 249   | -452   |
| Other appropriations ..... | 41           | ..... | ..... | ..... | .....  |
| Savings .....              | -99          | -136  | -302  | -490  | -564   |
| Total .....                | 10           | 216   | 604   | -241  | -1,016 |
|                            |              |       |       |       | -621   |

Approximately one-third of the Navy's \$593 million BRAC 91 fiscal year 1994 construction requirement results from the closure of Marine Corps Air Station (MCAS) Tustin, California. \$228 million is requested to fund construction of facilities at Marine Corps Air Ground Combat Center (MCAGCC) Twenty-nine Palms. However, as indicated above, if the BRAC 93 recommendations are approved, these construction requirements would be reassessed.

Environmental efforts are a significant part of the execution of base closure actions, especially under the BRAC 1990 authority. As part of the Navy's ongoing environmental management efforts, more than 160 sites requiring remedial action have been identified. Additionally, four of the BRAC 91 closure installations are included on the National Priorities List, and cleanup of these installations is expected to extend beyond the six-year closure window. The Navy is continuing to coordinate with DOD, federal, state and local regulatory agencies to expedite our restoration efforts.

In accordance with the Defense Base Closure and Realignment Act of 1990, on March 12, 1993, the Secretary of Defense recommended closure of 31, and realignment of 12, major domestic installations. Additionally, the Secretary recommended closure, realignment, disestablishment or relocation of another 122 smaller bases and activities.

Included in the 1993 recommendation was the closure, realignment or disestablishment of 60 active Navy and 52 Navy and Marine Corps reserve installations, and six changes to the 1991 BRAC Commission recommendations. In anticipation of 1993 closures, realignments and disestablishments, referred to as "BRAC 93", a legislative contingency account has been included in the fiscal year 1994 Defense Appropriations request for \$1,200 million to initiate implementation of BRAC 93 closure actions. The Navy's portion of this contingency account in fiscal year 1994 is \$759 million. The following table lists the recommended Navy closure and realignment candidates:

#### MAJOR BASE CLOSURES

Naval Station Mobile, Alabama  
 Mare Island Naval Shipyard, Vallejo, California  
 Marine Corps Air Station, El Toro, California  
 Naval Air Station, Alameda, California  
 Naval Aviation Depot, Alameda, California  
 Naval Hospital, Oakland, California

Naval Station Treasure Island, San Francisco, California  
 Naval Supply Center, Oakland, California  
 Naval Training Center, San Diego, California  
 Naval Air Station, Cecil Field, Florida  
 Naval Aviation Depot, Pensacola, Florida  
 Naval Training Center, Orlando, Florida  
 Naval Air Station, Barbers Point, Hawaii  
 Naval Air Station, Glenview, Illinois  
 Naval Electronic Systems Engineering Center, St. Inigoes, Maryland  
 Naval Air Station, Meridian, Mississippi  
 Naval Air Station, South Weymouth, Massachusetts  
 Naval Station, Staten Island, New York  
 Aviation Supply Office, Philadelphia, Pennsylvania  
 Charleston Naval Shipyard, South Carolina  
 Naval Station, Charleston, South Carolina  
 Naval Air Station, Dallas, Texas  
 Naval Aviation Depot, Norfolk, Virginia

#### MAJOR BASE REALIGNMENTS

Naval Submarine Base, New London, Connecticut  
 Naval Surface Warfare Center (Dahlgren) White Oak Detachment, White Oak, Maryland  
 1st Marine Corps District, Garden City, New York  
 Naval Education and Training Center, Newport, Rhode Island  
 Naval Air Station, Memphis, Tennessee

#### SMALLER BASE CLOSURES, REALIGNMENTS, DISESTABLISHMENTS OR RELOCATIONS

Naval Civil Engineering Laboratory, Port Hueneme, California  
 Naval Facilities Engineering Command, Western Engineering Field Division, San Bruno, California  
 Planning, Estimating, Repair and Alterations (Surface) Pacific, San Francisco, California  
 Public Works Center, San Francisco, California  
 Naval Electronic Security System Engineering Center, Washington, D.C.  
 Naval Hospital, Orlando, Florida  
 Naval Supply Center, Pensacola, Florida  
 Naval Surface Warfare Center—Carderock, Annapolis Detachment, Annapolis, Maryland  
 Navy Radio Transmission Facility, Annapolis, Maryland  
 Sea Automated Data Systems Activity, Indian Head, Maryland  
 Naval Air Facility, Detroit, Michigan  
 Naval Air Facility, Midway Island  
 Submarine Maintenance, Engineering, Planning and Procurement, Portsmouth, New Hampshire  
 Naval Air Warfare Center—Aircraft Division, Trenton, New Jersey  
 DOD Family Housing Office, Niagara Falls, New York  
 Naval Air Technical Services Facility, Philadelphia, Pennsylvania  
 Planning, Estimating, Repair and Alterations (Surface) Atlantic (HQ), Philadelphia, Pennsylvania  
 Naval Electronic Systems Engineering Center, Charleston, South Carolina  
 Naval Hospital, Charleston, South Carolina  
 Naval Supply Center, Charleston, South Carolina  
 Naval Surface Warfare Center—Port Hueneme, Virginia Beach Detachment, Virginia Beach, Virginia  
 Navy Radio Transmission Facility, Driver, Virginia  
 Naval Undersea Warfare Center, Norfolk Detachment, Norfolk, Virginia  
 Planning, Estimating, Repair and Alterations (Surface) Atlantic, Norfolk, Virginia  
 Planning, Estimating, Repair and Alterations (CV), Bremerton, Washington

#### NAVY NATIONAL CAPITAL REGION (NCR) ACTIVITIES

Security Group Command; Security Group Station, and Security Group Detachment, Potomac, Washington, DC  
 Bureau of Navy Personnel, Arlington, Virginia (including the Office of Military Manpower Management, Arlington, Virginia)  
 Naval Air Systems Command, Arlington, Virginia  
 Naval Facilities Engineering Command, Alexandria, Virginia  
 Naval Sea Systems Command, Arlington, Virginia

Naval Supply Systems Command, Arlington, Virginia (including Defense Printing Office, Alexandria, Virginia and Food Systems Office, Arlington, Virginia)  
 Naval Recruiting Command, Arlington, Virginia  
 Tactical Support Office, Arlington, Virginia

#### NAVY/MARINE CORPS RESERVE ACTIVITIES

Naval Reserve Centers at: Gadsden, Alabama; Montgomery, Alabama; Fayetteville, Arkansas; Fort Smith, Arkansas; Pacific Grove, California; Macon, Georgia; Terre Haute, Indiana; Hutchinson, Kansas; Monroe, Louisiana; New Bedford, Massachusetts; Pittsfield, Massachusetts; Joplin, Missouri; St. Joseph, Missouri; Great Falls, Montana; Missoula, Montana; Atlantic City, New Jersey; Perth Amboy, New Jersey; Jamestown, New York; Poughkeepsie, New York; Altoona, Pennsylvania; Kingsport, Tennessee; Memphis, Tennessee; Ogden, Utah; Staunton, Virginia; and Parkersburg, West Virginia.

Naval Reserve Facilities at: Alexandria, Louisiana and Midland, Texas.

Navy/Marine Corps Reserve Centers at: Fort Wayne, Indiana; Billings, Montana; and Abilene, Texas.

Readiness Command Regions at: Olathe, Kansas (Region 18); Scotia, New York (Region 2); and Ravenna, Ohio (Region 5).

#### DOD DATA CENTER CONSOLIDATION

Facilities Systems Office, Port Hueneme, California  
 Fleet Industrial Support Center, San Diego, California  
 Naval Air Warfare Center, Weapons Division, China Lake, California  
 Naval Air Warfare Center, Weapons Division, Point Mugu, California  
 Naval Command Control and Ocean Surveillance Center, San Diego, California  
 Navy Regional Data Automation Center, San Francisco, California  
 Naval Computer and Telecommunications Station, San Diego, California  
 Bureau of Naval Personnel, Washington, DC  
 Naval Computer and Telecommunications Station, Washington, DC  
 Naval Air Station, Key West, Florida  
 Naval Air Station, Mayport, Florida  
 Naval Computer and Telecommunications Station, Pensacola, Florida  
 Trident Refit Facility, Kings Bay, Georgia  
 Naval Computer and Telecommunications Area Master Station, EASTPAC, Pearl Harbor, Hawaii  
 Naval Supply Center, Pearl Harbor, Hawaii  
 Enlisted Personnel Management Center, New Orleans, Louisiana  
 Naval Computer and Telecommunications Station, New Orleans, Louisiana  
 Naval Air Station, Brunswick, Maine  
 Naval Air Warfare Center, Aircraft Division, Patuxent River, Maryland  
 Aviation Supply Office, Philadelphia, Pennsylvania  
 Naval Supply Center, Charleston, South Carolina  
 Naval Air Station, Oceana, Virginia  
 Naval Computer and Telecommunications Area Master Station, Atlantic, Norfolk, Virginia  
 Navy Data Automation Facility, Corpus Christi, Texas  
 Navy Recruiting Command, Arlington, Virginia  
 Naval Supply Center, Norfolk, Virginia  
 Naval Air Station, Whidbey Island, Washington  
 Naval Supply Center, Puget Sound, Washington  
 Trident Refit Facility, Bangor, Washington

In addition to domestic base closure actions, the Navy continues to pursue overseas closure and realignment actions. Our overseas base structure is relatively small, with only 19 bases of any significant size. Each of these bases is linked to forward deployment of Fleet and Marine Corps units. Since the requirement for such forward deployment is anticipated to continue, any overseas base structure changes would generally be tied to changing needs of the Fleet or specific changes in international relations. Since 1990, the Navy has begun actions to return (close) six overseas bases (25 sites), including Naval Support Activity (NSA) in Holy Loch, United Kingdom, and the Subic, Bay/Cubi Point complex in the Philippines. Additionally, we are reducing (realigning) three other bases in response to such things as improved communications technology.

Base closure and realignment actions provide the Navy the opportunity to reduce facility costs, concurrent with force structure draw-down, and in keeping with the fiscal realities with which we are faced. Along with these benefits, however, come the potential negative impacts on our sailors and marines, their families, our civil-

ian employees and the neighboring communities. As we progress through the base closure process we are striving to remain sensitive to these negative impacts to ensure we do everything possible to minimize them.

#### CONCLUSION

Mr. Chairman, the request before you includes those facility requirements considered essential in fiscal year 1994, commensurate with force structure reductions, and vital quality of life facility initiatives. We urge your favorable consideration of this request.

I will be pleased to answer questions you and the subcommittee members may have.

#### BIOGRAPHIC SKETCH OF REAR ADM. JACK E. BUFFINGTON

Rear Admiral Jack E. Buffington, CEC, USN, a native of Westville, Okla., and a graduate of the University of Arkansas in civil engineering, was commissioned in February 1962. He assumed duty as Commander, Naval Facilities Engineering Command, and Chief of Civil Engineers on Sept. 18, 1992.

RADM Buffington's first assignment was in public works at the New York Naval Shipyard. Following a tour as Aide and Flag Lieutenant to Director, Bureau of Yards and Docks, U.S. Atlantic Fleet, he reported to Naval Mobile Construction Battalion Nine, serving as Company Commander on Okinawa, on a detail in Alaska, and Officer in Charge of Seabee Team 0906 in Vietnam. RADM Buffington served in the Seabee Division at the Bureau of Yards and Docks, and later at Naval Facilities Engineering Command, Alexandria, Va.

Following postgraduate school at Georgia Tech, RADM Buffington reported to Public Works Center Subic Bay, Philippines, as Planning Officer. His next assignment was Executive Officer of Naval Mobile Construction Battalion Four in Okinawa and in Rota, Spain, followed by a tour as Operations Officer at PWC Subic.

RADM Buffington's next duty station was Assistant Resident Officer in Charge of Construction, New Orleans, followed by duty at the Armed Forces Staff College, Chief of Naval Operations Equal Opportunity Task Force, and Resident Officer and later Officer in Charge of Construction, Bethesda. Following that, RADM Buffington became Commanding Officer of Naval Mobile Construction Battalion One. While Commanding Officer, NMCB One won Best of Type and the Peltier Award as the top Seabee battalion in the Navy and led all battalions in retention, winning the Commander in Chief, Atlantic Fleet Golden Anchor Award. RADM Buffington's next tour was Public Works Officer at the Naval Academy followed by duty as Commander, Naval Construction Battalions, U.S. Atlantic Fleet. As COMCBLANT, RADM Buffington was in charge of Seabees working in Europe, Africa, the Caribbean, and Central America. RADM Buffington was Commanding Officer, Navy Public Works Center, Norfolk, Va., and then Director, Shore Activities Division (OP-44), Deputy Chief of Naval Operations (Logistics). In 1990, he reported as Commander, Pacific Division, Naval Facilities Engineering Command, and Commander, Naval Construction Battalions, U.S. Pacific Fleet. He was promoted to rear admiral (upper half) Oct. 1, 1991.

RADM Buffington's decorations include the Distinguished Service Medal, Legion of Merit with three gold stars, Meritorious Service Medal, Navy Commendation Medal with two gold stars, Navy Achievement Medal, Vietnamese Medal of Merit Second Class, and various other personal campaign and service medals.

RADM Buffington is the son of Ernest and Maxine Buffington of Westville, Okla., and is married to the former Robin Bush of Lakeland, Fla. They have two daughters: Shawn, who is married to Captain Kurt Lohrmann, USMC, and Kelly, who is married to Specialist Brian Corey, USA.

#### U.S. MARINE CORPS

Senator SASSER. General.

General REINKE. Good morning, sir.

Senator SASSER. Good morning.

General REINKE. We would like to thank you, first of all, for your past support. It has provided the Marine Corps with some of its most modern and high-quality facilities we have had in some time. This year the Marine Corps is asking for a military construction

program of \$108 million, and a family housing program of \$132 million.

We intend to use these funds to finance new construction and revitalization of facilities that we need to meet our operational requirements, protect the health and safety of our marines, comply with environmental requirements, and improve the quality of life for all of our personnel.

Our request only provides for facilities and housing needed to partially satisfy our many needs in today's requirements.

The fiscal year 1994 proposed program is significantly larger than 1993; however, you must remember, and I am sure you do, sir, in 1993 we had the Milcon pause, which caused our funds to be abnormally low. As a matter of fact, our Milcon and housing programs have shown a steady overall decline since the late 1980's.

Our reduction in Milcon funding levels, however, should not be construed as a lack of a need. It is just very difficult to compete in this period of reduced resources. We face many challenges in our current resource-constrained environment, one of which is trying to maintain some sort of a balanced program.

As you know, we find more and more of our Milcon's being devoted to environmental projects, at the expense of quality of life and operations and training. Now, we are trying to maintain a balance, but this is becoming more and more difficult.

Base closure continues to be a Milcon challenge. The Marine Corps supports the Secretary's closure and realignment recommendations. There will be some implementation concerns. We think these are inevitable, and we will work through them as they come up.

#### PREPARED STATEMENT

Again, sir, I would like to thank you for your past support for our programs, and we would appreciate your support for our program this year. Thank you very much.

[The statement follows:]

#### STATEMENT OF BRIG. GEN. CLAUDE W. REINKE

Mr. Chairman and members of the committee: I am Brigadier General Claude W. Reinke, Director, Facilities and Services Division, Installations and Logistics Department, Headquarters, U.S. Marine Corps. I appreciate the opportunity to appear before you today to review the Marine Corps military construction, family housing, and Reserve construction programs for fiscal year 1994.

The Marine Corps military construction and family housing programs constitute approximately 1.3 and 1.5 percent, respectively, of the total Marine Corps budget for fiscal year 1994. These funds finance both new construction and revitalization of facilities to meet operational requirements, protect the health and safety of our marines, comply with environmental requirements, and improve the quality of life for our personnel.

#### MILITARY CONSTRUCTION

Our military construction request for \$108 million in fiscal year 1994 provides the resources needed to support the Marine Corps' most immediate needs to comply with environmental laws, improve safety, provide some quality of life features, and support a limited amount of improved operational and training capabilities at our installations. The fiscal year 1994 proposed program is significantly larger than the fiscal year 1993 program; however, we must remember that fiscal year 1993's budget was abnormally low due to the Department of Defense imposed military construction pause. The reduction from the 1990 level of \$158 million should not, however, be interpreted as a declining need for facilities. Rather, it is a result of difficult

budget decisions; decisions that in turn reflect the keen competition for scarce resources. One of the greatest challenges we face in the current resource constrained environment is to obtain and maintain required infrastructure while downsizing the Marine Corps.

These difficult budget decisions have required the Marine Corps to concentrate its traditionally low budgetary resources on the absolute essentials. We have given priority to essentials such as family housing upkeep, minimum field training days for infantry battalions, recruit training, and manpower salaries. This has left us with reduced flexibility for other important requirements such as procurement and new construction.

Though faced with these constraints, our fiscal year 1994 new construction request of \$108 million is reflective of our continuing effort to support Marine Corps mission requirements, provide facilities that promote personnel and materiel readiness, enhance productivity, and support the quality of life necessary to attract and retain the dedicated men and women who make up your Marine Corps. To minimize the impact of constrained resources, we remain committed to taking care of what we have before building new.

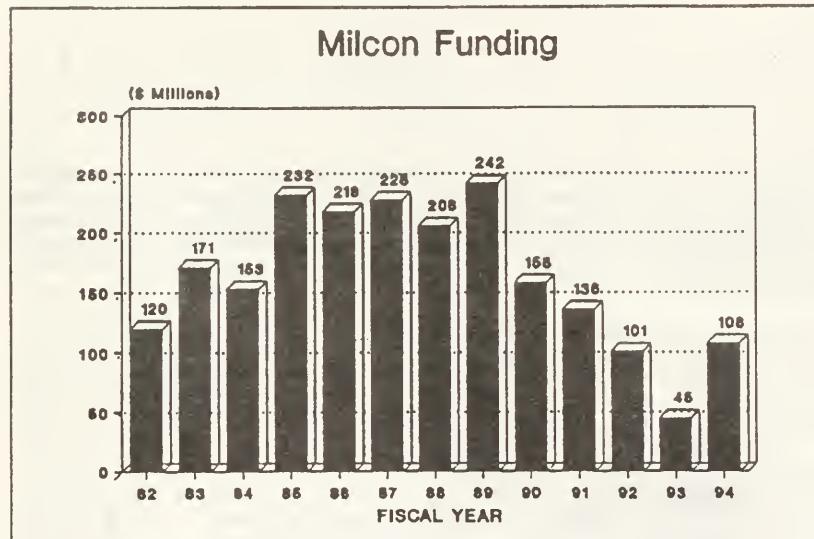


CHART 1

Chart 1 depicts our program since 1982 when the Marine Corps assumed resource sponsorship for military construction. The sharp decline caused by the 1993 military construction pause has been reversed in fiscal year 1994. Room was made in fiscal year 1994 for critical projects, such as the bachelor enlisted quarters at MCAS, Beaufort, SC, and a new landfill at MCB, Camp Lejeune, NC, that have been delayed by fiscal constraints starting in 1991.

### Milcon Backlog - FY94 - \$2.7 Billion

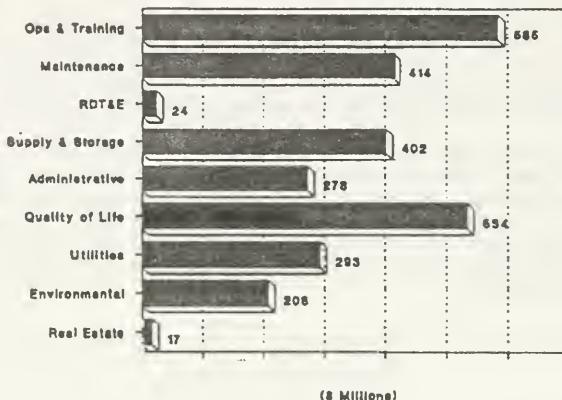


CHART 2

Chart 2 shows our \$2.7 billion backlog in military construction. This backlog has been reduced from \$3.4 billion because Marine Corps activities have reevaluated their project requests and made hard decisions in light of reduced force structure and increased fiscal constraints. Though the military construction backlog will probably never disappear, we hope to see a continued decline as Marine Corps requirements are refined.

### New Construction Funding by Categories

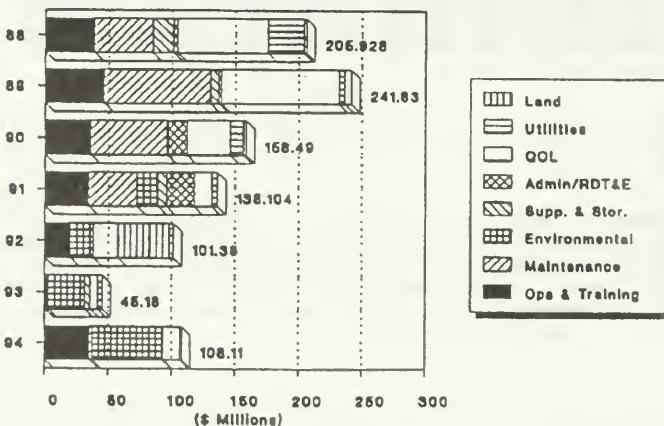


CHART 3

Chart 3, depicts by category, our historical military construction program funding levels and compares them to our fiscal year 1994 request. Fortunately, the Marine Corps' proposed program is more balanced than in fiscal year 1993 and includes

projects addressing some of the more critical maintenance, supply and storage facilities deficiencies and proposes a larger, healthier percentage of the program to be directed toward operations and training and quality of life projects. We continue to face the requirement to provide the lion's share of the program to fund environmental compliance projects.

Congress has long expressed tremendous interest in improving bachelor housing for all services. Between 1980 and 1993 the Marine Corps has supported those wishes by investing \$657 million in new construction for bachelor housing. This investment improved the living conditions for over 38,000 marines. Although some new bachelor housing construction is still needed, the Marine Corps' current plan is to invest primarily in the upgrade and modernization of our current inventory.

Congressional support in the past reflects a deep appreciation for the relationship between facilities and warfighting capability. Modern, high quality facilities have contributed significantly to improved mission capability, productivity, readiness and sustainability. The fiscal year 1994 new construction request furthers our commitment to our ultimate goal: facilities of the highest quality that fully support all of our mission requirements.

#### FAMILY HOUSING

The Marine Corps has made a commitment to improve the quality and quantity of our family housing assets. Improvements are being achieved by emphasizing whole house revitalization and maintenance of major infrastructure systems such as roads and utilities. The program proposed for fiscal year 1994 reflects this emphasis by including a whole house renovation project at MCB, Camp Lejeune, NC. This approach is in keeping with our strategy to maintain quality facilities before diverting resources to new construction. Our family housing construction program cannot keep pace with the cost of new construction.

Our projected housing deficit has reached 9,854 homes, with 95 percent of this total in southern California. Based on the Marine Corps priority to maintain our current inventory, no new family housing construction is in the proposed fiscal year 1994 budget. However, new construction is anticipated to be programmed in subsequent budgets at our two installations with the largest deficits, MCB, Camp Pendleton and MCAGCC, Twentynine Palms.

Though this may seem an austere beginning to our commitment to improve the quality of life for our marine families, let me assure you we are taking positive management actions to ensure a viable, long term program is sustained. First, we are developing a family housing campaign plan which will identify and project requirements and deficiencies over the next six years. The plan will serve as a tool to determine priorities and program effectively.

Second, we have initiated a more rigorous program of formal evaluations and analyses to ensure that only the most cost effective and reasonable housing projects are programmed. Prior to development of plans and specifications to revitalize units, the projects in our fiscal year 1994 program underwent an extensive evaluation of structural integrity and economic analysis to ensure that the Marine Corps makes a sound investment. Because much of our inventory has brick or block exterior finishes with solid structural components common to 1950's era construction, our units make excellent candidates for revitalization.

In addition to an economic analysis, the Marine Corps has revised its approach to project design. Sample houses within the overall project are revitalized and used to test design concepts and determine requirements for plans and specifications of large whole house revitalization projects. This procedure affords housing directors, engineers, and contractors the opportunity to correct errors and make changes on a small scale, rather than being faced with a large change order on a major contract.

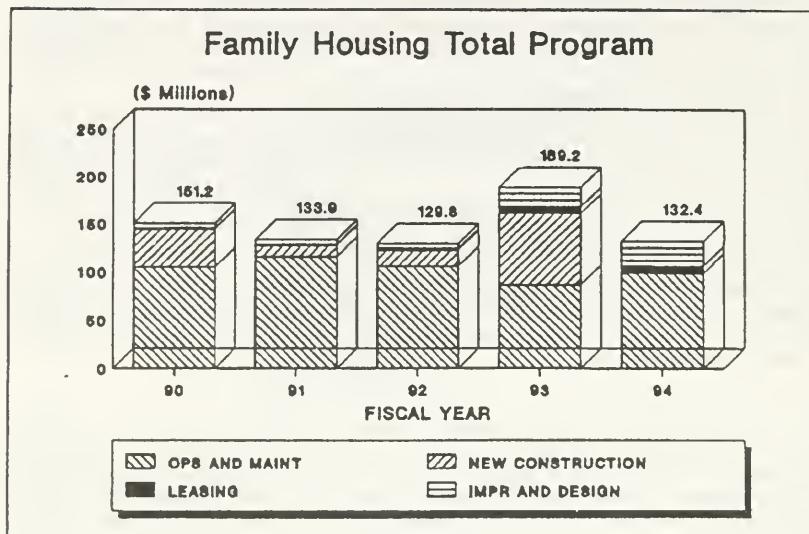


Chart 4 depicts the family housing budget since fiscal year 1990. In fiscal year 1994 we are proposing \$23.7 million for improvement projects. Additionally, other revitalization projects will provide much needed upgrades to family housing. Repair projects include exterior repairs to 60 homes at MCAS, Cherry Point, NC, and repairs to an office and self help warehouse at MCSA, Kansas City, MO.

Our fiscal year 1994 proposed program contains \$99.2 million to fund day-to-day operations.

In our efforts to provide the Marine Corps with adequate family housing with declining resources, we have focused attention in two additional areas, the domestic leasing and public-private venture (PPV) programs.

We are proposing expansion of domestic leasing at MCRD, San Diego, CA, from 75 units in fiscal year 1993 to 125 units in fiscal year 1994. While we do not intend the domestic leasing program to solve our long-term housing shortage in San Diego, it is an important element of our program to support our enlisted marines whose duties, such as drill instructors, require close in, affordable housing to meet their rigorous working schedules.

In fiscal year 1993 enlisted families occupied 423 of the 600 units provided by the 801 lease project at MCAGCC, Twentynine Palms, CA. This project provides housing, through the use of public-private venture capital, that would otherwise be provided by family housing new construction. Our fiscal year 1994 budget includes \$6.1 million for the annual 801 lease costs.

Ground was broken on 9 December 1991 for 276 two-bedroom units for the section 802 project at MCAS, Kaneohe Bay, HI. As you are aware, this program provides a building site and guarantees an occupancy rate to a private concern in return for construction of quarters. I am pleased to report the homes constructed were of outstanding quality and the project is fully occupied to date.

The critical housing shortages and high costs our families face in California and Hawaii make these leasing programs attractive elements of our program.

The Marine Corps and the Congress have long recognized the vital link between high quality, secure family housing and Marine Corps readiness. We continue to place our highest priority on maintaining and strengthening that link, and our fiscal year 1994 family housing program reflects that philosophy.

#### MARINE CORPS RESERVE

Marine Corps Reserve training centers are located in 195 sites spread throughout the United States and Puerto Rico. The Marine Corps owns the facilities at 23 sites, has tenant facilities at an additional 41 sites, and has commercial leases for facil-

ties at 7 others. The remaining sites are shared with either Reserve components of the Navy, the Army National Guard, the Air Guard; or they are collocated with other Marine Corps activities such as our First Recruiting District Headquarters in Garden City, NY. Five of the shared sites are on active Marine Corps bases and three others are on active Marine Corps air stations.

The Marine Corps Reserve has demonstrated its capability to augment and reinforce our active forces in times of crisis, but the infrastructure that supports this capability, like everyone else's, is aging. Our construction backlog continues to increase.

Chart 5 shows the funding profile for Marine Corps Reserve exclusive use military construction since 1981. The decline in funding since 1990 does not reflect a declining requirement in Marine Corps Reserve projects, only fiscal realities. The electronic maintenance shop in our 1994 Reserve construction program will address an urgent requirement for shop space at Dam Neck, Little Creek, VA.

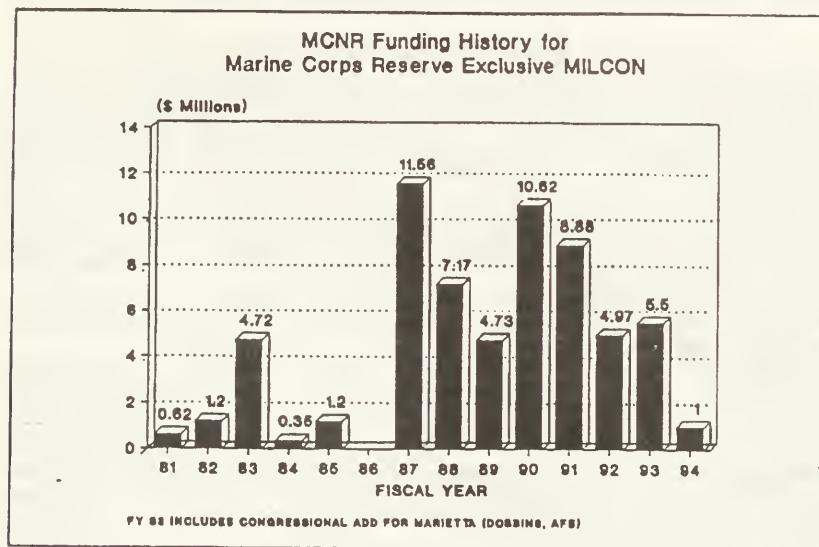


CHART 5

#### BASE CLOSURE AND REALIGNMENT

The 1991 Base Closure and Realignment Commission directed that the Marine Corps close MCAS, Tustin, CA, and relocate tenant activities to Camp Pendleton and a new air station to be constructed at the Marine Corps Air Ground Combat Center at Twentynine Palms, CA. To finance the move, the Commission directed that the Secretary of Defense seek authorization from the Congress in either fiscal year 1992 or 1993 for a fair-market exchange of the existing air station—whereby a buyer would provide required replacement facilities in exchange for the Tustin land. This was requested as part of the fiscal year 1993 budget request, but was not authorized.

Planning and design for the replacement facilities and the actual closure of the Tustin Air Station have been in progress for about one year. If accepted as proposed, however, the 1993 recommendations by the Secretary of Defense for Base Closure and Realignment will significantly change the proposed implementation.

The Marine Corps fully supports the Secretary's recommendations. Those pertaining to the Marine Corps were based on recommendations made by the Secretary of the Navy, which were jointly developed by the Marine Corps and Navy through the Department's base structure evaluation committee. Implementation concerns are inevitable in these complicated and far reaching actions. These concerns will be identified and addressed as appropriate throughout the process.

## SUMMARY

Mr. Chairman, in summary, permit me to emphasize our appreciation for your committee's continued support. The military construction, family housing and reserve construction for fiscal year 1994, while austere, represent the Marine Corps assessment of requirements and relative priorities needed to best carry out our responsibilities to you and to our nation. Our programs are carefully structured to take advantage of every efficiency and are the result of a reasoned and thorough decision process based on our best judgment and operational experience. This request is considered to be the absolute minimum required for efficient mission accomplishment and places the highest priority on the readiness of our forces. We believe our program is consistent with the national military strategy, fiscal realities and the guidance of the Congress. Our fiscal year 1994 request will allow us to continue to provide some modernized facilities intended to promote a high level of operational readiness and enhance our warfighting capability while attracting quality marines and sailors. Mr. Chairman, this concludes my statement, I will be pleased to answer any questions you may have on our fiscal year 1994 budget request.

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## BIOGRAPHICAL SKETCH OF BRIG. GEN. CLAUDE W. REINKE

Brigadier General Claude W. Reinke is the Assistant Deputy Chief of Staff for Installations and Logistics, (Facilities), Headquarters Marine Corps, Washington, D.C.

General Reinke was born on Nov. 18, 1942, in Bay City, Texas. After completing the Platoon Leaders Class program and graduating from Sam Houston State College with a B.S. degree, he was commissioned a second lieutenant in the Marine Corps in May 1965.

In 1967, after completing The Basic School at Quantico, Va., he served as a Platoon Commander and Company Executive Officer in the 5th Marine Division, and as a Company Commander in the Infantry Training Regiment at the Marine Corps Base, Camp Pendleton, Calif.

Ordered overseas, General Reinke served a tour as Company Commander with the 3d Marine Division in Vietnam. He then returned to The Basic School, for duty as a Staff Platoon Commander.

His subsequent assignments have included duties as the Marine Officer Instructor, NROTC Unit at the University of Minnesota; Platoon Tactics Instructor at The Basic School; Company Commander and Battalion S-4 with the 3d Battalion, 4th Marines on Okinawa; Parade Commander and the Executive Officer of MCI at Marine Barracks, Washington, D.C.; the Assistant Naval Attache in Athens, Greece; G-3 Operations Officer, 1st Marine Division; G-3 of the 5th Marine Expeditionary Brigade, Commander of the 2d Battalion, 9th Marines; Head of the Eastern Regional Branch, Plans Division, Headquarters Marine Corps; and Commanding Officer of the Officer Candidates School, Quantico.

In July 1989, he assumed duty as the Chief of Staff, 3d Marine Division. While serving in this capacity, he was selected in December for promotion to brigadier general. Upon advancement to his present grade on July 2, 1990, he was assigned duties as Commanding General, Marine Corps Base, Camp S.D. Butler/Deputy Commander, Marine Corps Bases, Japan. General Reinke assumed his current assignment on Aug. 24, 1992.

General Reinke has attended the Amphibious Warfare School and the Command and Staff College, Quantico; the Foreign Service Institute in Washington, D.C., where he completed modern Greek language training and the Defense Intelligence School's Attache Course. In 1985, he graduated from the National War College, Washington, D.C., where he was also a Senior Fellow.

His personal decorations include: the Legion of Merit; Bronze Star Medal with Combat "V"; Meritorious Service Medal; and the Combat Action Ribbon.

Brigadier General Reinke is married to the former Abby Holley of LaCrosse, Wisconsin. They have five children: Kathryn, Kari, Kelli, Kati and Christopher.

## NAVAL RESERVE

Senator SASSER. Thank you very much, General. Admiral Natter, do you have anything to add this morning?

Admiral NATTER. Very short. Mr. Chairman, Senator Gorton, again it is a real pleasure to be here and represent the Naval Reserve in the 1994 military construction budget. Our budget is very light this year.

We are requesting \$20.6 million for 11 projects, which averages less than \$2 million per project. Nine out of the eleven projects are additions or repair to existing projects. Two of the projects are replacement for reserve centers.

#### PREPARED STATEMENT

Other than that, sir, we certainly appreciate your support in the past, and look forward to your support in the future. I am ready to answer any questions you may have.

[The statement follows:]

#### STATEMENT OF REAR ADM. JOHN T. NATTER

Mister Chairman and members of the Committee. I am pleased to appear before you to present the fiscal year 1994 Military Construction, Naval Reserve (MCNR) budget request.

The Naval Reserve has taken on the current challenges created by unprecedented changes in the world political climate as well as declining defense budgets and is making the necessary adjustments to ensure that a flexible and capable force is ready to respond to the needs of the Navy and the Nation. Operations Desert Shield/Storm confirmed that the Department's "Total Force" Policy is a very workable and cost effective way to support major military operations. Additionally, the Naval Reserve has been increasing the amount of contributory support it provides to the Active Navy as a percentage of the total number of mandays that Selected Reservists (SELRES) work each year. In fiscal year 1992, the Naval Reserve provided the much sought after contributory support to the Fleets. Some of the services the Naval Reserve provided to the Active Navy included:

- Fleet logistic support (VR) squadrons flying the C-9 and C-130T aircraft transporting vitally needed cargo and equipment to Navy bases, aircraft and ships all over the world.
- Reserve Seabees performing maintenance, repair and minor construction projects.
- Medical personnel providing their needed skills to Navy Hospitals during weekend drills.
- Reserve personnel providing additional manpower at supply depots to minimize delay in processing of vital requisitions.

The Naval Reserve is exploring new ways of providing contributory support to the Navy in order to reduce operating costs while still providing a trained force ready to perform its mobilization functions.

There are four new mission projects in the fiscal year 1994 Military Construction, Naval Reserve Budget request. Three of these projects deal with Reserve Seabees taking on an expanded role of assisting shore installations battle an ever increasing backlog of facilities maintenance and repair work (BMAR). The projects will be located in areas that have large Navy infrastructures (i.e. Newport, San Diego and Pearl Harbor) and will provide Reserve Seabees with the shop and equipment space needed to perform maintenance and repair projects that would otherwise go unaccomplished because of budgetary constraints. All three projects are relatively low cost (\$1 million or less) but will provide huge benefits by allowing a portion of existing Reserve Seabee assets to focus on the huge BMAR problem at Navy shore installations.

The remaining new mission project will provide adequate hangar and maintenance space to support the relatively recent move of reserve squadron VAQ-209 (BA-6B electronic warfare aircraft) from Naval Air Station Norfolk to Naval Air Facility Washington, a tenant of Andrews Air Force Base, in order to take advantage of the excellent demographics of the Washington, DC Area.

Since funding for our program has been reduced as compared to fiscal year's 1986-91, we are only requesting the most critically needed projects. Our fiscal year 1994 Military Construction, Naval Reserve budget request of \$20.6 million represents 11 projects with an average cost of less than \$2 million per project. In order to make a smaller budget go farther, we have significantly reduced the average cost per project from previous budget submissions.

The condition of our facilities and need for replacement mirror the active Navy, but on a smaller scale. All Military Construction, Naval Reserve projects in the fiscal year 1994 program are related to replacement or upgrade of existing facilities, support the reduction of facilities maintenance and repair backlog of the Navy or

will more efficiently utilize existing facilities. Within the Naval Reserve, we have maintained a reasonable balance between our surface program, which include 215 Reserve centers, and our air program with its six naval air stations and 17 other Reserve air sites.

The Naval Reserve currently has a construction backlog of approximately \$950 million, a critical backlog of maintenance and repair work of \$90 million and a non-critical backlog of approximately \$100 million. We maintain a physical plant valued at \$3 billion. Although we expect the value of the physical plant to decrease due to a reduction in infrastructure being driven by a smaller Navy and shrinking budgets, it will not decrease nearly as much as the size of the reduction in construction funding in the past few years. We ask for your support to approve the low level of funding that has been requested in this budget submission.

Our ability to recruit, train and retain top quality personnel is the key to maintaining readiness in the Naval Reserve. Our most important resource—people—requires facilities that are safe, attractive and provide a proper learning environment. In this regard, the projects requested today will provide them with highly effective training, operations and maintenance spaces that will improve morale and quality of life as well as increase the effectiveness of contributory support.

I would again like to thank this committee for its excellent support of our previous budget requests and ask for your approval of the projects which comprise this budget submission.

This concludes my statement Mister Chairman. I will be happy to answer any questions and to provide additional information.

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#### BIOGRAPHICAL SKETCH OF REAR ADM. JOHN T. NATTER

Rear Admiral Natter became Deputy Director of Naval Reserve in September, 1992.

Born in New York August 14, 1939, RADM Natter was reared in Trussville, Alabama. He was graduated from the U.S. Naval Academy and was commissioned an Ensign in 1962.

RADM Natter served aboard the USS HOPEWELL (DD-681), USS TULARE (LKA-112), Special Operations Group San Diego, and as officer in charge of Fast Torpedo Boats, Subic Bay, Philippines and Danang, Vietnam.

RADM Natter's Reserve assignments include Commander, Naval Reserve Readiness Command, Region TEN in New Orleans; Commander, Naval Inshore Undersea Warfare Group TWO; Commanding Officer, MIUW 1210; SACLANT Det. 109, and numerous Surface Reserve units; Inspector General, Naval Reserve Readiness Command, Region NINE; and Officer in Charge, Naval Reserve National Pistol Team.

During his career, RADM Natter has been awarded the Legion of Merit with a gold star; Navy Commendation Medal; Navy Achievement Medal; Combat Action Ribbon; Presidential Unit Citation; Meritorious Unit Commendation; Vietnam Campaign; Excellence in Competition (Gold), and various other unit and campaign medals.

RADM Natter is married to the former Nancy C. Sheetz of San Diego, California. They have three daughters: Marianne, Jacqueline, and Katherine.

#### MILITARY CONSTRUCTION PROGRAM

Senator SASSER. Thank you. Admiral Buffington, the request for the active Navy's military construction program is 78 percent above last year's appropriation.

Now, I think, well, you probably were not in the room, but during the Army hearing, that preceded your appearance here, I indicated we did not receive a budget request, nor are we likely to receive an allocation sufficient to refund the initial requirements for round three of base closures.

Now, since the Navy has requested a 78-percent increase in the regular military construction program, is there any part of the request that could be deferred so that we can fund more of the base closure three requirements?

Admiral BUFFINGTON. No, sir; actually, we requested about 20 percent less than we did last year. But, you know, the pause policy that came through, which certainly was not from you, it was our

internal action that did that, is why we really only received the \$369 million. But in reality we are requesting 20 percent less than what we did last year.

Senator SASSER. So you are telling us that in reality you are requesting 20 percent less for your regular military construction than you did last year.

Admiral BUFFINGTON. Yes, sir; we requested \$838 million last year, and \$655 million this year is what we have requested.

Senator SASSER. But what you are telling us is that it is 20 percent less than what you requested of OSD last year.

Admiral BUFFINGTON. Yes.

Senator SASSER. OSD lowered your—

Admiral BUFFINGTON. Yes, sir.

Senator SASSER [continuing]. Request as the result of the pause.

Admiral BUFFINGTON. Yes, sir.

[The information follows:]

The Navy's military construction request to Congress in fiscal year 1993 of \$838 million included \$288 million for conventional military construction and \$550 million for real property maintenance. Congress, however, funded real property maintenance in the Defense Appropriation Act and funded \$369 million for Navy conventional/military construction in the Military Construction Appropriation Act.

#### NAPLES, ITALY CONSTRUCTION

Senator SASSER. All right. Now, the Navy is requesting \$11.7 million for construction of Naples, Italy. I was under the impression that new quality of life projects associated with the Naples improvement initiative were going to be funded in a third-party financing project.

Admiral BUFFINGTON. Yes, sir. That is—

Senator SASSER. What are these funds for, then?

Admiral BUFFINGTON. OK. What these first funds are for is up at Capodichino, and they are for a galley, and bank/credit union, and also there is going to be a physical fitness center, and some additional work there.

Also independent of that is air operations related improvements such as, the new passenger terminal, and hangar, and cargo terminal, and admin building, which is about \$53 million.

Now, what you are talking about, that third party, is a support site, which they are building up north of town there, and that is where we will take the people and the support facilities from where they are now and locate them up north of town. That is going to run us a lease cost of about \$20 million a year, is what that facility will do. But that is a third-party lease on all of that.

Senator SASSER. Yes; what is the status of the Naples modernization?

Admiral BUFFINGTON. We are coming along pretty well on that, and doing well up at the Capodichino Airfield there, as far as getting our facilities in there. We hope within a very short time here that we will have the final deal worked out, and be able to get started on the third-party venture up north of town.

Senator SASSER. Well, what additional requirements do you have for Naples beyond fiscal year 1994, with regard to military construction funds? I would kind of like to know what we are dealing with over the next several years, before we get started here.

Admiral BUFFINGTON. Yes, sir; there is very little involved past that point in time. We have, like I say, \$31 million more, we estimate up at Capodichino, on quality of life issues, and about \$53 million, as far as a hangar, and passenger terminal, and some of that.

And the other, after that, will be just the lease site. And that is where we will be in the \$20 million a year range. That is about it. It is not very much.

#### ARMY FAMILY HOUSING OPERATIONS AND MAINTENANCE

Senator SASSER. All right. Admiral, the Army's request for family housing operations and maintenance is substantially smaller than it was last year, which we were pleased to see.

But now the Navy comes in and shows a significant increase for family housing operation and maintenance. Operating expenses for the Navy increased 12 percent, and maintenance has increased by 56 percent. If the Army can achieve savings here, why cannot the Navy.

Admiral BUFFINGTON. As I said a while ago, we have not taken very good care of our quarters over the years, and we have not taken very good care of our people. We are trying to recover from that.

We have a \$2.1 billion backlog, and it is going to take us several years to recover. We are going to have a lot smaller Navy, we know that, but we are going to try to take a little better care of our people than we have in the past. That is where most of it is—

Senator SASSER. Well, I am pleased to hear you say that. I just do not understand why the three services have such a different approach to military construction investment programs.

Why should we have a situation where an Air Force enlisted man is taken care of much better than a Navy enlisted man? Although, sometimes I think the Air Force takes too good of care of some of those folks.

I went up to a base up in Maine, that they have subsequently closed, Senator Gorton, and the enlisted personnel dining hall there had white tablecloths on the tables, small tables, four people per table, white linen napkins. I do not think the Navy, and certainly, I know the Marine Corps is not going to get involved in that—

Senator GORTON. Senator, now, you are speaking to a former Air Force person.

Admiral BUFFINGTON. Well, I can give you a better example of that, Senator. We did a certain base over in the Philippines there, and completed the BEQ's and everything, and put all the furniture in, and it was all enlisted, and the Air Force said, "Hey, we do not like this stuff. It is not good enough."

So we hauled it down and put it in the bachelor officer quarters at Subic, and they said it was the best stuff they had ever seen.

We would like to look a whole lot more like the Air Force. We think they operate a whole lot better than we do, and we want to gain just a little here.

Senator SASSER. But in any case, the point I am trying to make here is that it appears to me that we ought to have standardization here.

Admiral BUFFINGTON. Yes, sir.

Senator SASSER. All of our military personnel ought to get the same type of treatment, whether in the Air Force, or the Navy, or the Army, or the Marine Corps. I think they ought to be treated the same, get the same quality of environment to live in.

Admiral BUFFINGTON. We absolutely agree with you, but that is a new way of thinking for the Navy. It has just happened in the last couple of years.

Senator SASSER. Well, I can vouch from personal experience, it is a new way of thinking for the Marine Corps. Senator Gorton, do you have any questions?

#### WHIDBEY ISLAND HOUSING

Senator GORTON. Thank you, Mr. Chairman. A year ago, when I was not a member of this subcommittee, the chairman was nevertheless thoughtful enough to include language in the subcommittee's report with respect to housing at NAS Whidbey Island.

Now, at that point, of course, NAS Whidbey Island was just coming off a time at which it had been slated by the Navy for closure, of which decision was overridden by the Base Closure Commission.

This year, of course, NAS Whidbey Island is slated to become larger, rather than to close, and to be the inheritor of units from other bases. But the wait for enlisted personnel to get into any kind of housing, whatever quality, there is twice the length of time of the average for other Navy bases.

And, yet, as I read this budget, you have nothing in it for additional enlisted housing at NAS Whidbey Island, except for planning purposes, which was not the instruction of the committee.

Are we not running into just a heck of a bind, as we begin to move more people into that base, and delay another year before we start construction?

Admiral BUFFINGTON. Yes, sir; but we are going to get the planning in, so we can move real fast on construction. We figure that we are short about 659 units of housing up there; however, with the new base closure and realignment, we think that is going to kick up to close to 800 units that we are short.

So we are going to work real hard on the planning, so we can hit it running at next year's appropriation, and get that housing in there as soon as possible.

Senator GORTON. Well, how does that timing, with respect to planning and construction, relate to the increased demand? Do you know when the P-3's are going to start moving into Whidbey? It is a lot sooner than fiscal year 1995, is it not?

Admiral BUFFINGTON. No, sir; I do not believe they are going to move in quite that fast. We do not have a determination of that yet from out of Pearl Harbor, where they are coming out of—

Senator GORTON. OK. I would appreciate you looking into that, and getting me the answer to that question—

Admiral BUFFINGTON. Yes, sir.

Senator GORTON [continuing]. Because I was told one place, I suspect, not officially, that the first squadron might well be moving within the next calendar year.

Admiral BUFFINGTON. No, sir; I do not believe it is quite that fast, but we will find that information for you. We are going to work real hard to get that housing ready to go.

[The information follows:]

P-3's will be moving into Whidbey the first quarter of fiscal year 1994.

#### ENLISTED PERSONNEL

Senator GORTON. All right. This is another followup question on your general attitude toward enlisted personnel. The Master Chief of the Navy indicated last week that the Navy is the only service which has not gone to single-bedroom bachelor enlisted quarters configuration, and that at the present time you actually have four people in a module.

In this statement of yours as to how you are trying to catch up with living standards, with respect to the Navy, are you going to follow either the Army or the Air Force in this connection, or do you intend to continue with four people in a room?

Admiral BUFFINGTON. No, sir; we are going to do our best to follow; what we had in the past was 85 square feet per person on shore duty, certainly not on ship, but on shore duty for E-1's to E-3's or E-4's, and then E-5's and E-6's, we were looking at 90 square feet per person.

Now, we are upping that to about 180 net square feet per person for our E-5's and E-6's, and in addition to that, we hope to just put one in the room, and then let them just share a head, rather than four of them sharing. So we are going to work real hard to move in that direction.

Senator GORTON. That is a conscious plan—

Admiral BUFFINGTON. Yes.

Senator GORTON [continuing]. On the part of the Navy.

Admiral BUFFINGTON. Yes, sir; absolutely. That is as of October 1, we are going to those new standards.

#### HOME CARE PROGRAMS

Senator GORTON. On another family life matter, as I understand, you now have 20,000 child care spaces in the Navy, with a requirement for 40,000, with the shortfall taken care of by home care programs.

As I understand it, those home care programs are working fairly well. What do you plan in this connection? Do you think that is a satisfactory division, or are you looking toward additional child care facilities?

Admiral BUFFINGTON. No, sir; we really do not have 40,000 taken care of. We have 20,000 taken care of. We have about 12,000 in actual child development centers, and then we have about 8,000 in family care.

Senator GORTON. I see.

Admiral BUFFINGTON. The other 20,000, we do not know where they are going. It is real rough on the people. So we are trying to make up that difference.

Senator GORTON. Is there something in this budget for additional child care?

Admiral BUFFINGTON. Yes, sir.

Senator GORTON. How many?

Admiral BUFFINGTON. I cannot tell you exactly what it is right now, but we do have considerable more in several different locations.

Senator GORTON. Would you get us an answer to that question? Admiral BUFFINGTON. I will get you that. Yes, sir.

[The information follows:]

#### FISCAL YEAR 1994 CHILD CARE CENTERS

| Program year | Activity location                 | Project No. | Project description                | Project cost |
|--------------|-----------------------------------|-------------|------------------------------------|--------------|
| 1994 .....   | Albany, GA, MCLB .....            | 705         | Child development center .....     | \$940        |
| 1994 .....   | Barbers Point, HI, NAS .....      | 202         | Child development center .....     | 2,700        |
| 1994 .....   | Bethesda, MD, NATNAVMEDECEN ..... | 101         | Child development center .....     | 3,090        |
| 1994 .....   | Guam, MI, NAVHOSP .....           | 004         | Child development center .....     | 3,460        |
| 1994 .....   | Guam NAVSTA .....                 | 389P        | Child development center addition. | 2,020        |
| 1994 .....   | Quantico, VA, MCCOMBDEV CMD ...   | 246         | Child development center .....     | 3,850        |
| 1994 .....   | Rota, Spain, NS .....             | 744         | Child development center .....     | 2,670        |
| 1994 .....   | San Diego, CA, NH .....           | 102         | Child development center .....     | 2,700        |
| 1994 .....   | Signonella, Italy, NAS .....      | 739         | Child development center .....     | 2,460        |
| 1994 .....   | Washington, DC, COMNAVDIST .....  | 313         | Child development center .....     | 1,480        |
| Total .....  | .....                             | .....       | .....                              | 25,370       |

#### ENVIRONMENTAL RESTORATION ACTIONS

Senator GORTON. You mention in your statement that six environmental restoration actions, with respect to bases which are being closed, will take longer than the normal statutory 6 years to clean up.

Do you have enough money for that environmental clean up, and what are those six bases?

Admiral BUFFINGTON. Actually, sir, it is four bases. We were talking there about Hunter's Point, and we were talking about Warminster, and CB Center, Davisville, RI, and Moffett Field. We are going to have to spend a considerable amount of money, particularly at Hunter's Point, under Treasure Island's roles and Moffett Field, down there.

For instance, we are going to spend about \$10 million, just for the planning to get to the point where they will environmentally let us start cleaning up the places. So those things are stretching out much past where we thought that they were going to be, but we are going to stay on top of them until we get it done.

Senator GORTON. And you have enough in this budget for those purposes.

Admiral BUFFINGTON. For this year. Yes, sir; but we will continue to request more as we go along, as we find additional things at those sites.

Senator GORTON. Finally, I have a question—the new home port at Staten Island is now on the base closure list, and apparently you have already built housing there. What will happen to that housing? That will be new housing, will it not?

Admiral BUFFINGTON. Yes, sir; that will be new housing. That was third-party venture there on that new housing, 1,000 units.

Now, we have 145 of them completed. They are still working on 855 of them.

We are taking a look right now as to what our requirement is in the New York area. We have considerable requirement for housing in New York, even if Staten Island did close.

We have a lot of people living in old rundown housing areas and things. So we will—

Senator GORTON. Do you think you may very well be able to use all of that housing when—

Admiral BUFFINGTON. I do not think we will be able to use all of it, but we will use most of it. I think we can maybe give some to some of the other services, or whatever, in that area. We are working up a plan right now to be able to use that housing in some form or fashion.

Senator GORTON. OK. So you hope you are not going to have to terminate the contracts and pay termination costs on it. I assume there will actually be a use for the housing.

Admiral BUFFINGTON. That is right. We want to terminate some of it, but there is going to be a lot of it that we can use.

Senator GORTON. Thank you.

Admiral BUFFINGTON. Yes, sir.

Senator GORTON. Thank you, Mr. Chairman.

#### AIR STATION GUAM CLOSURE

Senator SASSER. Thank you, Senator Gorton. Admiral Buffington, the Base Closure Commission has added the Naval Air Station Guam to the potential list of base closures. Does the Navy still have a requirement for that base?

Admiral BUFFINGTON. Yes, sir; we do.

Senator SASSER. That is what I thought. Has the Navy communicated to the Base Closure Commission the Navy's view on this potential closure?

Admiral BUFFINGTON. Yes, sir.

Senator SASSER. What did the Commission tell the Navy?

Admiral BUFFINGTON. Well, they are looking at it. They are just going to look at the entire setup, and see what their opinion of it is.

What our opinion was, is that we have several different rationales on the thing, or several different options. We can move everybody up to Andersen Air Force Base, but that is going to cost us a considerable amount of money, about \$345 million.

Senator SASSER. Right.

Admiral BUFFINGTON. If the Air Force left totally, and just gave us the base, which they do not have any intention of doing at this point in time, then it would probably cost us about \$60 million, give or take a little, to move up there.

If we bus the people up there, and actually moved our facilities, then we are talking about \$245 million, give or take a little. But bussing the people back and forth does not prove to be economical. It would cost us more to run 700 or 800 people up there back and forth everyday on buses.

Senator SASSER. Well, who is going to pay for that?

Admiral BUFFINGTON. We do not have the money to pay for it. We have told the Government of Guam that if they want us to

move, that they will have to pay for it. But there is a problem, it is not just the money, it is the environmental problems.

We may not be able to build new facilities up at the Air Force base, because there are a considerable number of environmental problems on Guam these days, and it is getting really tough to do any construction work out there.

Senator SASSER. Well, under the Base Closure Act legislation, there is a provision for a local community to ask that a base be closed, but the local community has to fund the movement of that base. The Base Closure Act does not require that Federal appropriations be used to move a base, as you know.

Now, the Air Force is recommending the closure and relocation of the O'Hare Air National Guard base in Chicago under this provision. But as I understand it, that is being paid for, not by the Air Force, but by local people in Chicago, who want to have access to that particular segment there of the Air National Guard base there.

Now, Admiral, this subcommittee does not support closing a base, at least not simply for the convenience or development interest of the local community, unless the local community is willing to fund the move in full.

The air station, the naval air station there is a very valuable property in Guam. I hope the Navy will communicate to the Base Closure Commission our opposition to utilizing base closure account funds to move a base that retains high military value, as does this air station on Guam.

If it is going to be moved, I think the taxpayers ought to be held harmless, and the costs should be fully funded by the sale of the existing installation, or by local interests, as is provided in the Base Closure Act.

I will tell you honestly, that I do not believe we can permit the use of base closure funds simply to move a base a few miles down the road. That is not what the base closure process and the base closure accounts were created for, in my judgment. So I would appreciate you communicating our views here to the Base Closure Commission in that regard.

General Reinke, looking here, the Marine Corps' requests this year are very modest, and I commend you for it. I note that there is a substantial increase in requests for environmental funding.

General REINKE. Yes, sir.

Senator SASSER. What occasions that increase?

General REINKE. Sir, we have some military construction projects that address class I environmental compliance requirements, where we have reached agreements with States to bring our waste treatment plants in compliance, particularly at MCB Camp Lejeune, NC, a \$28 million project in this request. There is also an industrial waste water treatment plant at MCLB Barstow, CA, both of which have been cited, and need to be taken care of.

#### ENLISTED PERSONNEL QUARTERS

Senator SASSER. What is the Marine Corps doing with regard to—the Army was testifying a moment ago about these new quarters they are setting up for their enlisted personnel. I think each

one has a bathroom, or something. Is the Marine Corps still living in the open squad base?

General REINKE. Not at all, sir. As a matter of fact, there is one DOD standard. It is my understanding that E-1 to E-4 rate two people per room, four in a complex, with adjoining head, and 90 net square feet per person.

We are trying to get out of our open bay squad barracks and into that configuration. We still have some open squad bays that we have modified. They give them cubicles and their own individual privacy, but they might have a gang head in the center of the building, as you recall from the old days.

We are moving toward trying to get all of our marines into adequate DOD-standard rooms, which are, in fact, two persons per room, 90 net square feet per person, with adjoining head. We have a plan to get there before the year 2000. We are actively pursuing that.

We think it is important, and agree that in the past we have been too content to have marines stay in the field, and come back in to an open squad bay, and then go out again. It is time we took care of them the right way.

Senator SASSER. After staying out in the field, an open squad bay looks pretty good when you get back.

General REINKE. You bet.

#### SUBCOMMITTEE RECESS

Senator SASSER. Well, gentlemen, thank you very much. I want to express the subcommittee's appreciation for your appearance and testimony here this morning. The subcommittee is recessed.

[Whereupon, at 11:30 a.m., Tuesday, May 18, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

# **MILITARY CONSTRUCTION APPROPRIATIONS FOR FISCAL YEAR 1994**

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**MONDAY, MAY 24, 1993**

**U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.***

The subcommittee met at 10:06 a.m., in room SD-138, Dirksen Senate Office Building, Hon. James Sasser (chairman) presiding.

Present: Senators Sasser, Inouye, Reid, Kohl, Gorton, Stevens, and McConnell.

**DEPARTMENT OF DEFENSE**

**DEPARTMENT OF THE AIR FORCE**

**STATEMENT OF JAMES F. BOATRIGHT, DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (INSTALLATIONS)**

**ACCOMPANIED BY:**

**BRIG. GEN. JIM McCARTHY, CIVIL ENGINEER**

**BRIG. GEN. DONALD SHEPPERD, DEPUTY DIRECTOR, AIR NATIONAL GUARD**

**BRIG. GEN. JOHN BRADLEY, DEPUTY TO THE CHIEF, AIR FORCE RESERVE**

**OPENING STATEMENT OF SENATOR SASSER**

Senator SASSER. The subcommittee will come to order.

Today we will hear testimony from the Air Force, and the defense agencies. We will hear first from the Department of the Air Force. We have asked our witnesses this morning to address the request for the active Air Force, and also the request for Air Force family housing, in addition to the Air Force portion of the base closure account, as well as the request for the Air Guard and the Air Force Reserve.

We are pleased to again welcome before this committee Jim Boatright, the Deputy Assistant Secretary of the Air Force. Mr. Boatright, we are always pleased to see you, and we welcome you this morning before the subcommittee. I would ask you, Mr. Boatright, for purposes of the record this morning, to introduce your colleagues from the Air Force that you have with you here today; and then you may proceed as you wish.

Mr. BOATRIGHT. Thank you, Mr. Chairman.

## PREPARED STATEMENT

I must first apologize that Mr. Gary Vest, the Deputy Assistant Secretary of the Air Force for Environment, Occupational Safety, and Health was unable to join us. He has submitted a statement, and we ask that this be included in the record.

Senator SASSER. It will be included in the record, as if read.

Mr. BOATRIGHT. He has had a medical emergency within his family. I would like to explain just briefly that, for the last 6 months, I have been concentrating on Air Force base closure business, and, therefore, Mr. Vest had been handling most of my responsibilities in the installation business, including the military construction and the military family housing program.

[The statement follows:]

STATEMENT OF GARY D. VEST, DEPUTY ASSISTANT SECRETARY FOR ENVIRONMENT, SAFETY AND OCCUPATIONAL HEALTH, DEPARTMENT OF THE AIR FORCE

INTRODUCTION

Mr. Chairman and members of the committee: Good afternoon. I appreciate the opportunity to appear before you this afternoon to discuss the Air Force military construction budget request for fiscal year 1994. With me today are Brigadier General James E. McCarthy, the Air Force Civil Engineer; Brigadier General Donald W. Shepperd, Air National Guard; and Brigadier General John A. Bradley, Air Force Reserve.

Mr. Chairman, it would be more helpful to the committee to present the Air Force military construction program in a single statement combining the total requirements of the Active Force, the Air Force Reserve and the Air National Guard. In the current context of a declining defense budget it is more important than ever before to emphasize the total force concept and to address the combined Milcon requirements of the total force from a single integrated perspective.

OVERVIEW

As you know, Mr. Chairman, because of a declining defense budget and changes in the perceived threat, the Air Force is now undergoing a major reorganization, combined with substantial reductions in its force structure. An essential part of our strategy for downsizing our forces is a concurrent reduction of the physical plant commensurate with the reduced Active Force levels. In other words, our aim is to bring down our facilities and infrastructure in a manner that is consistent with the reorganization and reduced force structure. We must reduce to a size we can afford to operate and maintain, while still providing essential support to Air Force missions and people. The Air Force is proud of the quality of its installations and, while much remains to be done, we have deliberately allocated the necessary resources within the constraints of the Air Force budget in order to achieve and maintain quality Air Force facilities. We have done this because we recognize the benefits in readiness, productivity and life cycle cost savings. A reduced basing structure will generate the same benefits for a smaller force so long as the quality of facilities remains high. For this reason, we are committed to preserving the quality of the facilities, utilities, and other supporting infrastructure at those bases we retain.

Mr. Chairman, we are also cognizant that the Air Force could not maintain the quality of our facilities and the advantages they provide without the indispensable and continuing strong support we have always received from this committee, for which we are most grateful.

The Air Force has already taken major steps to reduce the size of our physical plant inventory. Through the base closure and realignment processes both in 1988 and 1991, we have closed or are in the process of closing 18 air supporting bases in the continental United States, and are conducting a major realignment of a 19th. The 1993 Department of Defense closure recommendation could close an additional three active bases and realign three more active bases depending on the final recommendations of the Defense Base Closure and Realignment Commission.

In addition, the Air Force has a major effort under way to withdraw from a substantial number of overseas installations. We already have withdrawn from or converted to standby status thirteen overseas main operating bases. From fiscal year 1993 to fiscal year 1995 we will make substantial withdrawals from thirteen more

bases. Finally, in addition to the installations mentioned above, we will return to host governments by fiscal year 1997 some 153 smaller support sites and annexes at overseas locations. Many of these already have terminated operations.

As you know, base closures and realignments in the U.S. must be addressed only by the Defense Base Closure and Realignment Commission process. However, we will be able to continue to address withdrawals from overseas bases as changing requirements dictate.

We are proceeding with several new initiatives to downsize our facility structure in addition to the base closure and realignment actions mentioned above. These include downsizing logistics depots, consolidation of our laboratories and other research facilities, and improving utilization of facility space. These initiatives are intended to supplement the downsizing that will be achieved through base closing and realignment actions.

However, to achieve an optimum basing structure with maximum facility utilization, and to permit necessary consolidations and streamlining of our physical plant, we expect that continued Milcon funding will be necessary in future years. At those bases we intend to retain, we need to replace many small, worn out facilities that are inefficient and expensive to operate and maintain, with modern, durable and energy efficient facilities. For example, construction of a consolidated support center permits colocation of many support activities (e.g., personnel, finance, contracting, legal, etc.) in a single, highly functional facility and disposal of numerous old, expensive buildings. We hope the committee will lend its full support to the Air Force in achieving a cost effective and efficient downsized facility structure.

As with other facilities, we will downsize our inventory of family housing commensurate with the reduced requirement. A reduction of over 20,000 owned and leased units in the Air Force housing inventory is already being achieved through the approved closures. In addition, we will identify surplus inventory at remaining bases to be sure we keep only those housing units we need.

During this time of great change and considerable uncertainty for Air Force personnel, it is vital that we maintain our commitment to provide quality housing for their families and dependents. Thus we are continuing to emphasize the "whole house improvement program" which brings older units up to today's standards. In our budget request, we have once again requested funds for this most important program, and we ask for your continued strong support. As an integral part of the "whole house improvement program", we are revalidating the requirement for all units before proceeding with each phase of the program. If we identify surplus units, we will not invest improvement construction dollars nor perform major maintenance and repair. These units will continue in service as long as there is a demand for the unit for Air Force families and it is economical to maintain. When no longer required or serviceable, the unit is disposed of in accordance with the housing community plan for the installation.

As you are aware, it is DOD policy to rely on local communities first to provide housing for Air Force families at nearby bases, and this policy is being followed when personnel from closing bases are reassigned to other installations. Fortunately, most of the housing requirements at receiving bases resulting from prior base closures are being satisfied through community resources.

Maintaining adequate quality working and living conditions for Air Force personnel and their dependents is essential, both because it is an obligation to our people, and because it is a good business decision. This obligation extends from the shops and operational facilities where they work, to the dormitories and homes we provide for them and their families. Preservation of existing facilities by an adequately funded real property maintenance program is absolutely critical to the accomplishment of our mission and to preserving the quality of life of our people. There are two major payoffs which accrue as a result of prudent real property maintenance. First, we can reduce capital investment by extending the life of existing facilities versus constructing new ones. Like your own house, Air Force facilities do not maintain themselves. The average age of our non-housing facility inventory is over 32 years, and for our family housing it is 31 years. If we fail to provide adequate maintenance and repair, buildings, utilities and supporting infrastructure will simply wear out, resulting in the requirement for replacement construction and, more importantly, inadequate support for missions and people. The second major payoff results from the quality environment we provide in the workplace and in the homes of our personnel. Adequate working facilities and military family housing which meet societal standards and expectations contribute major dividends to the Air Force through increased productivity and in retaining highly trained personnel, thereby reducing recruiting and training costs.

The downsizing of the Active Force drives a considerable shifting of functions and equipment to the Reserve and Guard. This generates added facility requirements,

primarily because of the large number of aircraft conversions. Such conversions nearly always generate requirements for new facilities or major alterations to older facilities to accommodate newer aircraft. The Air Reserve component request this year reflects this.

Since the purpose of any Air Force installation is to support Air Force missions as effectively and efficiently as possible, it is more important today than ever before to plan and justify our facility needs from the perspective of a military construction program designed to be responsive to facility requirements of the total force.

With this background, Mr. Chairman, I would like to proceed now to discuss the major program areas of our Milcon budget request. These major program areas together represent the highest priority Milcon requests of the Department of the Air Force. With your permission, I would like to discuss the components of our fiscal year 1994 program in the following sequence: first, our Active Force program, including family housing; next, our Air Force Reserve program; and then the program for the Air National Guard. And finally, Mr. Chairman, a brief summary of the Air Force Milcon contained in the requests for the defense base closure and realignment accounts.

#### MILITARY CONSTRUCTION PROGRAM FOR THE ACTIVE FORCE

##### *Overview*

The active Air Force military construction request for fiscal year 1994 totals \$1.933 billion. Included in the figure for the Active Forces is \$906 million for traditional Milcon projects and \$1.026 billion for military family housing (MFH). This compares to a fiscal year 1993 request of \$2.383 billion, including \$673 million for traditional Milcon, \$1.264 for MFH and \$446 million proposed transfer of funds from the operations and maintenance account. The fiscal year 1993 authorization approved by Congress totalled \$1.9 billion, consisting of \$717 million for Milcon and \$1.2 billion for MFH.

Our fiscal year 1994 Milcon request reflects a 25 percent increase over the fiscal year 1993 appropriation. It should be noted that fiscal year 1993 reflected the Department of Defense "Milcon pause" and in reality our fiscal year 1994 request is 10 percent lower than our fiscal year 1992 appropriation of \$1.006 billion, a more traditional funding level. The MFH portion of our request is a 15.2 percent decrease from the fiscal year 1993 appropriation, reflecting a reduction in our "whole house improvements" program.

##### *Environmental compliance projects*

The active Air Force Milcon program for mandatory environmental compliance requirements continues to receive strong emphasis. We have requested for fiscal year 1994 a total of \$140.8 million for 58 projects. Our program focuses on environmental projects for wastewater treatment systems, hydrant refueling systems, fire fighter training facilities, underground storage tanks and hazardous waste storage and treatment facilities.

These projects were developed to satisfy three specific categories of requirements. The first category responds to level I requirements, referring to facilities currently out of compliance with environmental laws or regulations including those which are the subject of a compliance agreement. The second category is level II, projects necessary to meet a future compliance deadline, but where fiscal year 1995 funding would be too late. The third category concerns underground storage tanks. We are requesting the funding necessary to complete compliance requirements within five years and before the compliance deadline of December 1998.

##### *Projects supporting international treaties or agreements*

Our fiscal year 1994 request to support the strategic arms reduction talks (START) is \$7.3 million. This will be used to upgrade existing munitions storage igloos to safely store deactivated missile propulsion components. The Navajo depot in Arizona was selected as the most economical storage site.

##### *Euro NATO joint jet pilot training (ENJJPT)*

The Euro NATO joint jet pilot training program, known as "ENJJPT", is conducted at Sheppard Air Force Base, Texas, under a cost sharing agreement with eleven other NATO nations. It includes undergraduate pilot training and pilot instructor training. Air force student pilots participate in this program. Our fiscal year 1994 request is \$2.2 million for the U.S. share of the cost of an alteration of a pilot training facility. This request is for the fourth and final phase of a program that began in fiscal year 1991.

### *Critical direct mission support projects*

**B-2 bomber facilities.**—Our construction to support the B-2 deployment to Whiteman Air Force Base, Missouri, began with the fiscal year 1988 Milcon program and continues with our request for \$43.5 million at that base in fiscal year 1994. This request is in line with the revised B-2 acquisition program and is based on the reduced acquisition target of twenty aircraft. Under this concept, Whiteman Air Force Base will be sole operating location for the B-2. Originally it was planned to perform depot maintenance at Tinker Air Force Base, Oklahoma, but the maintenance concept is now being reevaluated and therefore, no projects are being requested for fiscal year 1994. Future Milcon budget requests for the B-2 will be adjusted when the operational and depot maintenance concepts based on an inventory of twenty aircraft are finalized.

**C-17 aircraft facilities.**—We are requesting \$6.9 million for three projects at Altus Air Force Base, Oklahoma, and \$8.2 million for three projects at Kelly Air Force Base, Texas, to provide the facilities needed to support activation of the C-17 transport. This aircraft will modernize and enhance the Air Force's strategic and tactical airlift capabilities.

**T-1 trainer facilities.**—The new T-1 trainer aircraft will be used in what we call "specialized undergraduate pilot training (SUPT)" to train pilots for multi-engine transports and tankers. Since fiscal year 1990 the Congress has appropriated \$20.3 million for facilities to beddown these new trainers. We expect our request in fiscal year 1995 will complete the program. Our fiscal year 1994 request for this beddown is \$2.7 million to upgrade the SUPT maintenance support facility at Vance Air Force Base, Oklahoma. Other bases that will receive T-1 trainers are Columbus AFB, Mississippi; Laughlin AFB, Texas; Reese AFB, Texas; and Randolph AFB, Texas.

**Space launch infrastructure.**—The space launch infrastructure program is designed to correct facility deficiencies that have adversely affected space launch operations and the reliability and maintainability of space systems. In fiscal year 1994, we are requesting \$23.9 million for eight projects which comprise the second phase of a multi-year revitalization program. The first project is a \$1.0 million upgrade to the standby generator at Antigua Air Station in the Pacific. There are four projects at Cape Canaveral AFB, Florida for \$6.9 million: upgrading the water mains, fire system and standby power. The other three projects are at Vandenberg AFB, California: one for \$2.4 million to provide a permanent, reliable radar facility; another for \$1.6 million to upgrade the fire protection system in the Titan test and support facility; and the third for \$11.5 million to upgrade the electrical system.

**Overseas military construction.**—We are requesting \$21.45 million for the following non-European overseas projects: the previously mentioned space launch infrastructure project for the standby generator at Antigua Air Station; two level I environmental projects, wastewater treatment plants, at Thule Air Base Greenland and Ascension Island; and two projects to support satellite tracking at Diego Garcia, a GPS satellite control facility and a satellite tracking storage facility. These projects all support U.S. space programs, are not a host nation responsibility, are not NATO eligible, and are not affected by any force structure reductions in Europe.

The projects we request for Europe are limited to only those deemed most critical to supporting operations and to maintaining adequate working and living conditions for personnel stationed overseas. We have strictly complied with the guidance by this committee and the Congress to reduce our overseas Milcon expenditure to the lowest possible level, and to shift to host nations whenever possible the financial burden of supporting U.S. military personnel stationed overseas. In addition, all overseas Milcon projects were rigorously screened against planned future force reductions and other mission changes.

The \$11.6 million for European projects cover upgrading two dormitories at Incirlik Air Base, Turkey that are being used to support transient personnel deployed in Operation Provide Comfort; a child development center at Ramstein Air Base, Germany; and a project for a Naval Air facility to provide general purpose aircraft maintenance for Navy aircraft at RAF Mildenhall, United Kingdom. The existing Navy operation is being displaced to support USAFE realignments.

**Planning and design.**—Our request for fiscal year 1994 planning and design is \$63.2 million. These funds are required to complete design for the fiscal year 1995 construction program and to achieve 35 percent design for our fiscal year 1996 projects. Our requirement was calculated using the OSD planning and design cost target of 9 percent. We need to have your support for this funding level to ensure that we have the capability to revitalize our deteriorated living and working facilities and our increasingly unreliable utility infrastructure.

**Unspecified minor construction (P-341 funds).**—We have requested \$6.8 million in fiscal year 1994 for unspecified minor construction funds (P-341), which provide the

Air Force with its primary means of responding to small, unforeseen Milcon requirements. This request is in line with the \$7 million appropriated in fiscal year 1993 but less than half the average appropriation made during the past five years. The rapid rate of change taking place in the Air Force is putting a strain on this account. The fiscal year 1992 and fiscal year 1993 funds are anticipated to be fully obligated by May 1993. This will hamper our ability to respond to emergencies during the remaining five months of fiscal year 1993. We have validated requirements totaling \$22 million under design. Of that, \$17 million will be ready to award by the end of fiscal year 1993 and \$5 million by early fiscal year 1994.

*Military family housing.*—As in years past, the Air Force leadership considers military family housing to be one of its most important discretionary facility programs. We are convinced that no other facility program influences the performance and commitment of our people as much as having a quality home for their families. We very much appreciate the support Congress has given us for our family housing program as we strive together to sustain the quality of homes for our people.

Maintaining the quality of our family housing program is even more important in this new era of massive overseas reductions, domestic base closures, major force reductions and an ongoing reorganization of the Air Force. These unavoidable adjustments to our forces and facilities are a reflection of the times we live in and are necessary to downsize our defense establishment. But these adjustments, however desirable, also are disruptive to military families, and therefore it is imperative that we provide them the security and quality of life they are entitled to for their family homes.

Our fiscal year 1994 budget request for family housing includes replacement construction and improvements to our existing housing inventory, and maintains and manages this inventory in the most efficient manner within the constraints of an austere Air Force Milcon budget.

*Housing improvements.*—A top priority in the Air Force housing program is revitalization of our existing housing inventory through our "whole house/whole neighborhood" improvement program. This program has been extremely successful. Under this concept, worn out bathrooms and kitchens are updated, obsolete utility and structural systems are replaced, additional living space is provided as permitted by law, and older homes are upgraded to contemporary standards. At the same time, all required maintenance and repair are accomplished. The result is a very cost effective investment that extends the life of these houses by an additional 25 years. In addition, the "whole neighborhood program" will provide recreation areas, landscaping, playgrounds and utility support systems so that Air Force personnel will have attractive and functional living areas.

Our fiscal year 1994 request is for \$63 million and includes planning and design. This amount will revitalize about 588 homes and provide three neighborhood improvements. It is important to emphasize that our improvement program budget request includes funding for both repair and alterations. Thus the Air Force request for improvements is higher than those of the other services, but our request for repair funding is lower. However, this results in comparable total per unit costs throughout DOD.

*New construction.*—We are requesting a total of \$110 million in fiscal year 1994 to construct 876 replacement houses at nine Conus Air Force bases, four housing support facilities at Conus bases, an infrastructure project at one Conus base and the buyout of the build/lease at Comiso Air Base, Italy. The 876 replacement units are replacements for unsuitable existing homes that are no longer economical to improve. The 118 units at Barksdale AFB, Louisiana; 104 units at F. E. Warren AFB, Wyoming; 111 units at Lackland AFB, Texas; 155 units at Patrick AFB, Florida; and 118 units at Robins AFB, Georgia replace old wherry units. The Vandenberg AFB, California project for 166 units replaces worn out Capehart units. The one unit at Fairchild AFB, Washington; 48 units at Hanscom AFB, Massachusetts; and 55 units at Maxwell AFB, Alabama replace unsuitable units. The infrastructure project at Tyndall AFB, Florida is phase I of a five phase program to replace 338 old, deteriorating units located too close to an operational airfield. This project will provide all the pavements, utilities and drainage required to support the new units. Follow on phases will be for construction of the replacement units and demolition of the existing ones.

We are also requesting \$20.2 million to buy out the lease for 460 units at Comiso AB, Italy. Our analysis shows we will save \$8.6 million by buying out the lease in fiscal year 1994 rather than to continue to pay \$7.2 million a year for the next four years. This is consistent with congressional language which requires the buyout of long term leases if it is more cost effective.

Finally, we are requesting modest funding to replace four inadequate, non functional family housing management offices or maintenance facilities. It is very impor-

tant to provide an adequate workplace where Air Force families can be productively assisted in their housing search by our family housing professionals.

In keeping with Air Force policy, all construction investment is supported by a requirements document. Furthermore, housing community plans are developed for each installation which lays out a road map for future improvements, replacement construction, and new construction/demolition. These requirements are presented in a phased plan that are closely followed by the installations.

*Operations, utilities and maintenance.*—Our fiscal year 1994 request for family housing operations, utilities and maintenance is \$853.9 million. These funds are necessary to operate, maintain and repair the nearly 129,000 homes in the Air Force inventory representing a replacement value of well over \$13 billion. Approximately 80 percent of this O&M funding is for "must pay" items such as utilities, refuse collection and salaries. The remaining 20 percent is applied toward our \$1,198 million backlog of repair requirements. While our whole house revitalization program will reduce a small part of this backlog, a vigorous maintenance and repair program is necessary to preserve these units until they can be revitalized.

*Leasing.*—We have requested \$118.3 million for the cost of leasing both domestic and overseas housing units. The last of the Air Force section 801 build/lease housing projects is under contract. Changes in the budget scoring rules, together with revisions to the authorities, have made it much more difficult to execute section 801 programs.

Our fiscal year 1993 family housing request reflects our commitment to sustain quality homes for our people. Too many Air Force families still live in unsuitable housing. We request the support of the committee in approving the full request for our military family housing program.

#### MILITARY CONSTRUCTION FOR THE AIR FORCE RESERVE

##### *Overview*

The Air Force Reserve fiscal year 1994 Milcon budget request is \$55.7 million. It includes \$48.4 million for projects in 12 states, \$3.9 million for unspecified minor construction, and \$3.4 million for planning and design. This is 35 percent greater than our fiscal year 1993 appropriation, the growth being in environmental and current mission requirements. Our fiscal year 1993 request had no current mission requirements due to the Milcon pause. At the same time, our Reserve new mission requirements decreased 77 percent between fiscal year 1993 and fiscal year 1994 from \$34.8 million to \$8.0 million. This year's request is consistent with our long range facility investment strategy to: beddown new missions and realignments; comply with environmental laws and regulations; provide adequate operational and training facilities; and provide efficient, reliable infrastructure.

##### *New mission*

Our top priority project for fiscal year 1994 provides a parking ramp to support the addition of four C-141B aircraft into the Reserve flying mission.

##### *Environmental compliance*

The next Reserve facility priority is environmental compliance. We have completed environmental compliance and management plans (ECAMP), which identify environmental compliance requirements, at each of our installations. We are proud that we have closed seventy six percent of the findings uncovered by these ECAMPS, and this fiscal year 1994 request will go a long way in helping us achieve our goal of closing out the rest of the findings within 48 months. Included in this request is the upgrade of a base fuels complex to replace the underground fuel distribution lines and remove the underground fuel storage tanks.

##### *Current mission*

The current mission requirements in our fiscal year 1994 program are very important to mission readiness. Since readiness of our force relies upon our training capabilities; adequate training and working conditions are stressed in our fiscal year 1994 program. A significant portion of the Air Force Reserve force is part time, training on weekends and two week periods throughout the year, so the facilities they use must optimize the brief periods they have to prepare. Additionally our priority on efficient, reliable infrastructure results in reduced operations and maintenance costs over the long term, while ensuring mission capability and readiness.

##### *Unspecified minor construction*

The Air Force request for unspecified minor construction is \$3.9 million in fiscal year 1994. This provides the Reserve with its primary means of responding to small, unforeseen Milcon requirements. The rapid rate of change in the Air Force and the

rapid rate of aircraft conversions is putting a strain on this account. To respond to this change, we need the strong support of this committee for our request.

#### *Planning and design*

Our planning and design request for fiscal year 1994 is \$3.4 million. These funds are required to complete design for the fiscal year 1995 P-341 program and the fiscal year 1995 construction program, achieve 65 percent design for our fiscal year 1996 program, achieve 35 percent design for our fiscal year 1997 program, and design from zero percent to 100 percent a late-to-need new mission Milcon project. As with the Active Force, the requirement was calculated using the OSD planning and design cost target of nine percent. We need to have your support for this funding level to ensure we have the capability to revitalize our deteriorating facilities and increasingly unreliable utility infrastructure.

### MILITARY CONSTRUCTION FOR THE AIR NATIONAL GUARD

#### *Overview*

The Air National Guard Milcon request for fiscal year 1994 totals \$142.4 million, including \$128.5 for military construction, \$9.9 million for planning and design, and \$4.0 million for unspecified minor construction. This will support the readiness of Air Guard units, continue the modernization effort of our aircraft inventory, and ensure compliance with environmental laws and regulations, at 79 locations in 46 states and territories. The program, which is fifty five percent below what was appropriated for fiscal year 1993, addresses only our most urgent needs.

#### *New mission*

New mission requirements account for \$19.6 million to support conversions at eleven locations. Five units will have conversions to F-16 aircraft, and three units to KC-135 aircraft. The remaining three conversions are for communications squadrons. To maintain mission readiness, it will be necessary to implement temporary workarounds until the required facilities are constructed. We anticipate that over one third of our Air National Guard real property maintenance budget will be required to provide these workarounds thereby providing allow safe, efficient conversions to the new aircraft.

#### *Environmental compliance*

Environmental compliance will require \$63.2 million for 62 environmental projects at 60 locations. The majority of these projects (45) are for the removal/replacement of over 650 underground storage tanks. Five of our projects are to bring fuel cell maintenance docks into compliance with environmental regulations. The 13 remaining projects cover a variety of areas, such as providing corrosion control facilities, industrial waste holding ponds and drainage structures that will comply with Clean Water Act requirements.

#### *Current mission*

Current mission needs at 31 locations are provided by 32 projects totaling \$45.7 million. This area is very important to us since our fiscal year 1993 program did not include any projects in this category. This will provide the facilities needed to support the readiness of our citizen soldiers. Our request includes 4 operations and training facilities, 5 fire stations, 4 dining halls, and several civil engineering maintenance facilities.

#### *Unspecified minor construction*

We request \$4.0 million in fiscal year 1994 for unspecified minor construction funds, which provide the Air National Guard with its primary means of responding to unforeseen projects in the \$300,000 to \$400,000 range. The rapid rate of change taking place, and the requirements for temporary workarounds during aircraft conversions require this authority to maintain mission capability.

#### *Planning and design*

The Air National Guard request includes \$9.9 million in planning and design funds. This figure is based upon continuing design of the fiscal year 1995 and fiscal year 1996 Milcon program.

### MILCON FOR BASE CLOSURES

All Air Force base closure funding comes from the DOD base closure accounts, which are part of the DOD Milcon appropriation. For fiscal year 1994, the Air Force has \$10.2 million included in part I for Milcon to cover the 5 bases closed by the 1988 commission. The part II Milcon request is \$103.5 million for the 13 closures

and the MacDill AFB realignment ordered by the 1991 commission. The rest of the BRAC request covers all one time costs attributed to closures in the categories of O&M, environment, military personnel, and other procurement.

#### CONCLUSION

In conclusion, Mr. Chairman, I want to thank the committee for its strong past support of the total Air Force military construction program and the benefits this has provided to the Air Force in both readiness and in retention, recruiting, reduced training costs and quality performance of our personnel. In this time of declining defense budgets, it is vital that we use every scarce dollar to maximum advantage. To do this, it is important we identify our Milcon requirements based on total force requirements. As the Active Force is reduced in size our supporting facility structure must be adjusted accordingly. In addition, we need to focus on the cost saving potential of proper maintenance and repair of our physical plant, which can result in significant savings by preventing more costly repairs in the future. We therefore ask for the committee's full support of our fiscal year 1994 military construction request.

Thank you, Mr. Chairman, and members of the committee. We will be most happy to answer any questions you may have.

#### INTRODUCTION OF ASSOCIATES

Mr. BOATRIGHT. I have also prepared a statement and submitted it today, in regard to base closures, and I ask that that be entered into the record.

Senator SASSER. That will be included in the record.

Mr. BOATRIGHT. I have with me here today Brig. Gen. Jim McCarthy, the Air Force Civil Engineer, on my right; immediately to my left, Brig. Gen. Donald Shepperd, Deputy Director of the Air National Guard; and to my far left, Brig. Gen. John Bradley, Deputy to the Chief of the Air Force Reserve.

Senator SASSER. We welcome all of you before the subcommittee this morning. We are pleased to have you.

#### SUMMARY STATEMENT

Mr. BOATRIGHT. I have a few opening remarks here that I would like to make at this time, and then I will pass to the other gentlemen at the table.

Let me begin by reviewing briefly the status of the previous base closure rounds. In 1988, five bases were recommended for closure; two of those bases are now closed; two more will close by the end of this fiscal year. The last will close next March.

In 1991, 13 additional bases were recommended for complete closure; and 1 base, MacDill Air Force Base, was recommended for partial closure. Of these, three have already closed; and four more will close by the end of this fiscal year. Six more bases will close by the end of fiscal year 1994; while the last one will close by the end of fiscal year 1995.

We continue to pursue an aggressive closure and realignment schedule, to reduce operating costs and make excess properties available as soon as possible for reuse by the local communities. I must tell you that we are having some difficulty in making property available for timely reuse, because of delays related primarily to environmental restoration issues, and in indemnification provisions included in last year's Defense authorization and appropriations acts.

The selection process this year was extremely difficult. We have identified most of the less desirable bases during earlier base clo-

sure rounds. Our remaining infrastructure is sound and in good shape, which makes the recommendations for closure particularly difficult.

Our 1993 closure recommendations were made to bring our infrastructure in line with mission requirements and the Department of Defense's force structure plan.

Since 1988, the Air Force budget has decreased by 26 percent; and total personnel, military, and civilian, have declined by 21 percent. Our recommendations will bring the basing structure in line with these reductions in the Defense force structure approved as of January 1993, with the exception of the industrial base structure.

The process used to support the 1993 deliberations was essentially the same as that used in 1991, with an expanded number of criteria subelements, to try to differentiate between the bases. Our recommendations were made to the Secretary of Defense in February, and the Department of Defense recommendations were made to the Defense Base Closure and Realignment Commission on March 12, 1993.

The Secretary of Defense recommended closing four Air Force bases: Homestead AFB, FL; K.I. Sawyer AFB, MI; O'Hare Air Reserve Station in Illinois; Newark Air Force Base in Ohio. Major realignments were recommended: Griffiss AFB, NY; March AFB, CA; and McGuire Air Force Base in New Jersey.

As you may know, the Base Closure Commission has voted to add to the list for consideration for closure: Plattsburgh Air Force Base in New York; Grand Forks Air Force Base in North Dakota; and Fairchild Air Force Base in Washington. The Commission also voted to add all Air Force depots to the list for consideration of closure or realignment.

The total estimated cost of the Air Force closures and realignments recommended by the Secretary of Defense is \$748 million. The estimated savings for these actions, over the 6-year period, is approximately \$2.2 billion; resulting in a net savings of approximately \$1.4 billion.

Senator SASSER. Over a 6-year period?

Mr. BOATRIGHT. Yes, sir; that is the period prescribed in the law.

After this period, these actions will result in a steady state, annual, recurring cost avoidance of \$368 million.

The 1994 DOD fiscal year 1994 budget request includes \$618 million to implement Air Force closure and realignment recommendations. This includes \$203 million for the 1993 recommendations, \$415 million for the 1991 recommendations, and zero for the 1988 recommendations. Our fiscal year 1994 request includes no additional funds for the 1988 closure of bases, because we have not yet expended all the funds previously appropriated.

Our obligation rates are lagging, but as we move closer to actual closure dates, they will catch up to the funding, and the lag will disappear. In addition, overly optimistic estimates of land revenues, especially in the part 1 account, the 1988 commission, creates a considerable challenge in executing these programs within these budget levels. To meet this challenge, we plan to take advantage of the multiyear, multiappropriation flexibility Congress built into the accounts when they were created.

To this end, the plan is to use money from prior fiscal years to fund these requirements. In some cases, these funds were programmed prematurely, for requirements that will actually occur in later years. And in other cases, the actions for which they were programmed are no longer required. In all cases, the Air Force intends to use these BRAC funds before requesting additional monies or budget authority to execute these respective programs.

#### PREPARED STATEMENT

In summary, our closure and realignment actions reflect difficult decisions by the Department of the Air Force. These decisions affect many people, and many local economies. However, they will result in a leaner and less costly base structure, while still retaining necessary capability to support a combat-ready Air Force.

[The statement follows:]

#### STATEMENT OF JAMES F. BOATRIGHT

Mr. Chairman and members of the committee, I appreciate this opportunity to review the current status of the Air Force base closures and realignments being carried out pursuant to the 1988 and 1990 base closure laws. Let me begin by reviewing the process that the Air Force recently completed for developing closure and realignment candidates for the 1993 Base Closure Commission.

The selection process was an extremely difficult task. The Air Force has identified and culled out most of our less desirable and/or single mission capable CONUS bases during previous closure rounds—five in 1988 and fourteen more in 1991. Our remaining infrastructure is basically sound and in good shape having had substantial amounts of construction or renovation accomplished during the last decade as we strove to provide excellent support facilities for our operations and training, and maintain a high quality of life for our people.

Base closure recommendations were accomplished to balance our infrastructure and mission requirements; and continued attention is required to ensure budget, force structure, support and infrastructure reductions are appropriately balanced. Since 1988, the Air Force budget has decreased by 26 percent and total personnel, military and civilian, have declined by 21 percent. The Air Force recommendations to the 1993 Commission will bring the base structure in line with the Base Force structure plan approved by the previous Administration, except in the industrial base subcategory.

To support the 1993 deliberations the Air Force applied essentially the same process as we used in 1991 with an expanded number of Criteria subelements. As you may recall, in 1991, we applied some 80 subelements, and this time we used approximately 160. The basic elements of this process were the DOD Force Structure Plan approved in January, 1993, by the Secretary of Defense, and the eight DOD selection criteria approved by the Secretary on February 15, 1991 and reaffirmed on December 10, 1992. To aid in this process, the Secretary of the Air Force appointed a Base Closure Executive Group comprised of seven general officers and six Senior Executive Service civilians. This group had a broad range of expertise including: environment; facilities and construction; finance; law; logistics; operations; personnel and training; reserve components; and research, development and acquisition. This Executive Group met at least 50 times between November 1992 and March 1993. Throughout the Air Force process, the basic theme has centered on integrity, accuracy, and documentation. To that end, the Executive Group developed a Base Closure Internal Control Plan to provide structure and guidance for all participants in the process. The Executive Group, in turn, chartered a working group of experts to provide staff support.

The Executive Group's work began with a review of all bases, active and reserve components, with more than 300 DOD direct hire civilians authorized to be employed. Data on all such bases in the United States were collected on a standard questionnaire directly from the bases. This data was then validated by both the MAJCOM's and the Air Staff. This validation continued throughout our process to include reviews by the Air Force Audit Agency.

After this data was collected and early in our process, a number of bases were eliminated from further consideration because of their overriding military value (i.e. mission essentiality or geographic importance). We then placed the remaining bases

into categories based on the installation's predominant use. Capacity was then analyzed by category and subcategory, based on current base capacity and future requirements imposed by the DOD Force Structure Plan. The Executive Group analyzed categorization at length to ensure that like bases competed against each other. Later in our process when categories/subcategories were identified as having no excess capacity, or some excess capacity but the cost to relocate activities was unreasonably cost prohibitive, they were excluded from further study. The categories/subcategories which were excluded follow: in the flying category, the pilot training and special operations forces subcategories; in the industrial/technical support category, the test facilities and product center and lab subcategories; the other category, major headquarters subcategory; and the training category, technical training centers subcategory.

Our capacity analysis studies indicated that we had excess capacity in the flying category, operations subcategory. This excess was primarily driven by force structure changes, i.e., bomber reductions and the 1991 Commission's rejection of our recommendation to close Moody AFB. Therefore, we identified an excess capacity of four to five large aircraft bases and one small aircraft base.

Our capacity analysis did not initially include a review of industrial bases; however, this area was reviewed at the direction of the Deputy Secretary of Defense who directed the Services in December, 1992, to prepare integrated proposals for use by the Secretary of Defense during the 1993 process. This review revealed excess DOD capacity to close seven to eight depots. The Air Force portion of this excess equated to approximately two depots.

In addition to the eight DOD Criteria, Force Structure Plan, and capacity analysis, the Executive Group was also provided guidelines consistent with the Air Force strategic planning framework and the restructuring of major commands. Our Global Reach-Global Power planning framework reflects the shift to a post-Cold War security environment. Recent organizational changes reflect the most fundamental restructuring of the Air Force since 1947. Three former commands (Strategic Air Command, Tactical Command, and Military Airlift Command) have been merged into two new commands. Air Mobility Command provides Global Reach, lining up most of our airlift and refueling assets in one command. Air Combat Command provides Global Power by blending CONUS-based firepower in one command. Implementation of new strategic thinking and organizational concepts, efficiently applied throughout our base structure, is essential to provide the Air Force effective combat capability with a downsized force in the future.

With this background, the Secretary of the Air Force asked the Executive Group to use the following guidelines when completing their analyses: consolidate bomber force structure where possible; keep four missile fields to retain flexibility; adhere to the one base-one boss philosophy, when possible; select a mobility base on the east and west coast; account for Air Force restructure; and eliminate excess depot capacity.

With these guidelines in mind and the requirements of the base closure law, all Active Component bases in the non-excluded categories were individually examined on the basis of all eight selection criteria established by the Secretary of Defense, and approximately 160 subelements. These subelements were developed by the Air Force to give us a broader and more in-depth coverage of specific data points for each of the DOD criterion. Each subelement was graded and an overall rating for Criteria I-III and VI-VIII for each base was agreed upon by the Executive Group. Criteria IV and V were completed using the DOD Cost of Base Realignment Actions (COBRA) cost model.

The Executive Group worked closely with the Secretary and the Chief of Staff throughout the process. The Secretary selected the closure and realignment candidates in consultation with the Executive Group and with the Chief of Staff's concurrence.

The 1993 Air Force recommendations were:

#### *Base Closures*

Homestead AFB, Florida; McClellan AFB, California;<sup>1</sup> O'Hare ARS, Illinois; KI Sawyer AFB, Michigan; Newark AFB, Ohio.

#### *Realignments*

Griffiss AFB, New York; McGuire AFB, New Jersey; March AFB, California.

The total estimated costs of the closures and realignments recommended by the Secretary of Defense is \$748 million over six years. The estimated savings for these

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<sup>1</sup> SECDEF withdrew this recommendation due to cumulative economic impact; however, the Commission is considering reinstating it as a candidate.

actions over the same six year period is \$2.169 billion, resulting in a total net savings of \$1.421 billion. In addition, these actions will result in an annual recurring costs avoidance of \$368 million. The Base Closure Account funding requirement does not include beddown costs where future force reductions are likely to obviate MILCON requirements, nor projected environmental cleanup costs. The latter costs will be incurred regardless of base closure actions taken, and cleanup programs at these bases are already underway. The estimates submitted for the Commission were based on the COBRA model and the Air Force is now refining these estimates through site surveys and further Air Staff review, and will make this improved cost data available to the Base Closure Commission by June 1, 1993.

As budget reductions drive additional closures and realignments, it is also becoming necessary to alter some previous decisions. These alterations are not due to bad decisions, they are simply due to the dynamics of the ongoing downsizing, budget reductions and operational reorganization. We must continue to consolidate and take advantage of cost effective opportunities and efficiencies when identified. To this end, the Air Force recommended the following changes to the 1988 and 1991 Commissions:

#### CHANGES TO 1988/1991 COMMISSIONS' RECOMMENDATIONS

*Bergstrom Reserve Realign the Cantonment, Texas.*—Close the Bergstrom Reserve Cantonment. Air Force Reserve units to Carswell AFB Cantonment, Texas. [Note: This move is being done in conjunction with the Navy and will result in consolidation of Air Force, Navy, Marine Corps and Army reserve forces at Carswell. Carswell will become a Navy Reserve base.] Close the Corrosion Control Facility unless a civil airport is in operation by September 30, 1994.

*Carswell AFB, Texas.*—Realign 436th Training Squadron (formerly 436th Strategic Training Squadron) to Dyess AFB, Texas; realign the maintenance training function to Hill AFB, Utah, and the fabrication function to Luke AFB, Arizona. The maintenance training and fabrication functions are part of the 436th Training Squadron.

*Castle AFB, California.*—Realign B-52 Combat Crew Training mission to Barksdale AFB, Louisiana, instead of Fairchild AFB, Washington; realign KC-135 Combat Crew Training mission to Altus AFB, Oklahoma, instead of Fairchild AFB, Washington.

*Chanute AFB, Illinois.*—Consolidate the Air Force Metals Technology, Non-Destructive Inspection and Aircraft Structural Maintenance courses and form a joint training course with the Navy at NAS Memphis, Tennessee, instead of realigning the Air Force courses to Sheppard AFB, Texas.

*MacDill AFB, Florida.*—The AFRES will temporarily operate the airfield facilities until a civil airport is established at MacDill AFB. The Joint Communications Support Element will remain instead of realigning to Charleston AFB, South Carolina.

*Mather AFB, California.*—Realign the 940th Air Refueling Group (AFRES) to Beale AFB, California, instead of McClellan AFB, California.

*Rickenbacker ANGB, Ohio.*—Retain the ANG units (121st Air Refueling Wing and 160th Air Refueling Group) in a cantonment at Rickenbacker ANGB, instead of realigning them to Wright-Patterson AFB, Ohio. The 178th Fighter Group (ANG) at Springfield, Ohio, will realign to Wright-Patterson AFB, Ohio.

These readressals will result in a net military construction cost avoidance of \$67.5 million. I will now briefly update costs and savings associated with the 1988 and 1991 recommendations. The total estimated costs of the 1988 Commission recommended closures and realignments is \$1.062 billion. The estimated savings for these actions from fiscal year 1990 through fiscal year 1995, when the last of these bases closes, is \$1.413 billion, resulting in a total net savings of approximately \$351 million. Projected annual recurring savings for these actions after full implementation of the 1988 recommended actions is estimated at \$381 million. The total estimated cost of the 1991 Commission recommendations is approximately \$1.478 billion while the total savings between fiscal year 1992 and 1997 will be approximately \$2.958 billion, resulting in a total net savings of approximately \$1.480 billion. The projected annual recurring savings for the 1991 Commission recommendations are estimated to be \$835 million. Altogether, the total estimated costs of the 1988, 1991, and 1993 recommendations are \$3.288 billion. Total savings are \$6.54 billion, resulting in overall net savings of \$3.252 billion. In addition, projected annual savings are estimated to be \$1.584 billion.

The cost estimates for both the 1988 and 1991 Commission recommendations include environmental cleanup expenses. These costs and savings are still estimates as much of the execution is still ahead of us. We have closed four of the 19 bases recommended by the 1988 and 1991 Commissions. Seven more are scheduled for clo-

sure in each of 1993 and 1994. The remaining base, Castle AFB, is scheduled to close in September, 1995. Base closures and realignments remain a dynamic process but we are making much progress.

In order to continue our progress towards balancing our base structure and force structure, the DOD 1994 budget request includes \$618 million to implement Air Force closure and realignment recommendations. This figure includes \$203.4 million to implement 1993 recommendations, \$414.6 million to implement 1991 recommendations, and 0 (assumes \$47 million in land sale revenues will be available) to implement 1988 recommendations. We expect some considerable challenge in executing these programs within these budget levels, especially the Part One Account (1988 Commission) primarily because of an overly optimistic estimate of land sale revenues. To meet this challenge, we plan to take advantage of the multi-year, multi-appropriation flexibility Congress built into the accounts when they were created. To this end, the plan is to reprogram money from prior fiscal years to fund these requirements. In some cases, these funds were programmed prematurely for requirements that will actually occur in later years and, in other cases, the actions for which they were programmed are no longer required. In all cases, the Air Force intends to use these BRAC funds before requesting additional monies or budget authority to execute the respective programs. The Air Force is presently conducting a comprehensive review of the programs which implement the 1988 and 1991 approved recommendations and the 1993 recommendations before the Defense Base Closure and Realignment Commission. This refined information will be available for consideration of inclusion into the President's Budget Submission for fiscal year 1995.

If the Base Closure Commission approves our recommendations, the Air Force base structure will be in balance with the force structure as projected last January. As further budget reductions translate into additional force structure reductions, it is likely that more closure/realignment recommendations will be required in 1995. In the meantime, we will continue to seek ways to train and operate more effectively and efficiently.

The Air Force will also continue to focus on close air support interoperability with the Army, and the development of a modernized Global Reach-Global Power concentration of fire power or mobility—the composite wing. With regard to close air support interoperability, the Air Force will continue to base, to the maximum extent, its close air support force structure on bases near major Army installations. This will provide daily interoperability with Army units at the division level and below, and should enhance the development of improved interoperability and fire power support. Towards this end, the Air Force plans to establish an air/land operation composite wing at Moody AFB, Georgia, similar to the one we are establishing at Pope AFB. In addition, to help integrate refueling and airlift mission, the Air Force intends to establish mobility wings on both coasts. An air mobility wing consolidates large numbers of tanker and airlift aircraft onto one base. This synergy produces long term cost savings and increased efficiency, while enabling air refueling and airlift crews to plan and train together as a team for rapid response. This rapid response will be required to meet regional demands including actions similar to the relief efforts recently conducted in Somalia. The Air Force has recommended Plattsburgh AFB as the site for the east coast mobility wing and Travis AFB as the site for west coast mobility wing.

I can best summarize our closure and realignment actions to date by simply saying, we have made some very hard decisions that will affect many people and the local economy at each of the locations, but these actions will create a leaner, less costly, Air Force infrastructure that will be consistent with the requirements of a smaller Air Force and its reduced budget.

#### STATEMENT OF BRIG. GEN. JAMES E. MC CARTHY

Mr. BOATRIGHT. And now I will defer to General McCarthy for his comments.

General McCARTHY. Good morning, Mr. Chairman. I appreciate the opportunity to explain the active Air Force's military construction and military family housing budget for fiscal year 1994.

Our request for military construction is \$906 million. This restores our annual military investment to a more normal level, following the year of Milcon pause in fiscal year 1993. Nevertheless, it is still 10 percent lower than the 1992 appropriation.

About two-thirds of this \$906 million is for environmental protection, correction of fire safety deficiencies, facility revitalization, and infrastructure upgrade projects, as we try to retain the quality of the bases of the Air Force. Of the \$906 million, only \$34 million is for overseas. Of this \$34 million, most of it is for U.S. space operations at non-European locations. And the remaining is for a base in Turkey, a child development center in Germany, and a maintenance facility in the United Kingdom.

I want to pay attention particularly to the account entitled "Unspecified minor construction" in the Milcon budget. Our request is for \$6.8 million, which is in line with the \$7 million appropriated in fiscal year 1993. This is the account we use for unspecified, pop-up construction requirements, and it is a particularly important account as we rapidly change the organizational structure of the Air Force. I would strongly ask the committee's support for full funding of the Department's request.

With regard to military family housing, we appreciate the support the committee has provided in the past, and would like to ask for continued strong support, particularly as we try to upgrade the quality of our houses to a more appropriate level; and there is \$63 million in the family housing request for improvements.

In addition, we asked for \$110 million to replace houses which are not economical to improve. We believe that these investments are very important, to take care of our Air Force families.

Mr. Chairman, that summarizes my comments regarding the active force's program, and I would now turn to General Shepperd, from the Guard.

#### STATEMENT OF BRIG. GEN. DONALD W. SHEPPERD

General SHEPPERD. Thank you, Mr. Chairman. This is my fourth testimony in front of your committee, and the last 4 years has been very tumultuous for the Nation, the Air Force, and the Guard.

During that 4 years, our Air Force has come to rely more upon its Guard and Reserve by necessity. We were side by side with our Air Force in the desert, and we are side by side with them today in the desert, and in Somalia and in Bosnia. We are there because of our readiness. Modern facilities are an important part of that readiness.

Our fiscal year 1994 budget request of \$142.3 million addresses only our most urgent construction requirements. It is 55 percent less than the appropriated amount for fiscal year 1993, and as the Air Force downsizes, we remain the same size; at least, so far in the programming process.

Our request includes construction for 106 Milcon projects at 79 locations, in 46 States and territories. The lower budget is a direct result of less money for the Defense budget. However, from my viewpoint, we have been treated fairly by our active-duty counterparts in the programming process; and the decisions in our requests reflect the same ones that I would have made, had I been in the active-duty chair.

I would be glad to respond to questions. Thank you.

Senator SASSER. General Bradley?

## STATEMENT OF BRIG. GEN. JOHN A. BRADLEY

General BRADLEY. Good morning, Mr. Chairman, members of the committee.

It is my pleasure to appear before you for the first time, to present the Air Force Reserve fiscal year 1994 military construction program budget request.

Immediately prior to my new assignment here, I was the wing commander of an Air Force Fighter Wing at Richards Gebaur Air Force Base in Kansas City, MO. I think my experience as a wing commander helps give me a fresh perspective on the importance of maintaining quality facilities for a quality force.

Considering the budget constraints under which we are forced to live, I think our fiscal year 1994 request adequately meets our facility needs and is consistent with our long-range facility investment strategy. That strategy is primarily to bed down new missions and realignments, to comply with environmental laws and regulations, to provide adequate training and working facilities, and provide efficient and reliable infrastructure. Our top priority for fiscal year 1994 is for a parking ramp to support the addition of four C-141B aircraft to the Air Force Reserve Flying Mission.

In support of next facility investment priority, we have finished our environmental compliance and management plans, which identify environmental compliance requirements at each of our bases. Our program will upgrade a base fuels complex at General Mitchell Air Force Reserve Station in Wisconsin, and the remainder of our program is dedicated to current mission requirements.

Adequate training facilities are essential for the Air Force Reserve, because a significant number of the Air Force Reserve force is part time, training on weekends and 2 weeks throughout the year. Our mission readiness relies on our training capability.

Mr. Chairman, I appreciate the great support that you and the committee have given us in the past, and I will respond to any questions you may have for me. Thank you, sir.

Senator SASSER. Thank you, General Bradley.

Anything further, Mr. Boatright?

Mr. BOATRIGHT. No, sir.

## ACTIVE AIR FORCE MILITARY CONSTRUCTION

Senator SASSER. Well, I want to thank each of you for your testimony, and one thing that leaps out at me this morning, Mr. Secretary, is the request for the active Air Force military construction. It is 26 percent over last year. Conversely, the request for the Air National Guard is 51 percent less than last year. Now, why did the Air Force make such a recommendation, in which they are increasing their military construction by 26 percent over last year, while cutting the Air Guard by 51 percent?

Mr. BOATRIGHT. Let me ask General McCarthy to respond to that, please.

General McCARTHY. Sir, I can respond to the active part of that. The comparison of the 1994 request for 1993 is correct. However, 1993 was a very unusual year, where the Department of Defense chose to suppress the budget levels. We called that the Milcon pause.

We had a very small request in 1993, and, therefore, there was growth in 1994. If we compare our request, however, to 1992 and earlier, we really are very close to that request. So I would say you are absolutely correct, but 1993 was a greatly depressed investment year for the Air Force active forces.

Senator SASSER. But I might say this, General McCarthy, there was also a pause in Air Guard construction in fiscal year 1993, not just in the active Air Force construction projects in 1993.

In my view, the Guard is clearly underfunded. If we get any utility at all, and I think we get a substantial amount from our Guard and Reserve units, it appears to me that the Air Guard and Air Reserve units probably are the best buy we get from the point of view of their readiness and their capability.

I well recall that the first Iraqi aircraft shot down in Desert Storm was shot down by an Air Guard pilot, "aflying" one of those ugly old tank killers, what do we call them, Ace A-10's?

Mr. BOATRIGHT. A-10's.

Senator SASSER. A-10's. He was a pilot who had just come out of the cockpit of a USAir commercial airliner just a few days before, and there he was with his A-10 in the Iraqi desert. So—and I have flown with these Air Guard pilots, and many of them have hundreds of flying hours. And so I do not like to see them underfunded, because I think they have got really a greater role to play, as we start downsizing the active Force.

Mr. Secretary, will the Air Force work with us to find savings in other parts of the Air Force budget, so that we can provide a more balanced appropriation in fiscal year 1994 for the Air Guard?

Mr. BOATRIGHT. Yes, sir; the Air Force will be pleased to work with you in that regard. I would like to add that we agree with you that the importance of the Guard and the Air Force Reserve to the Air Force; they have demonstrated their capability in a very remarkable way in the past.

What we have tried to do in the Air Force is balance our request to the Congress in regard to our military construction program, in accordance with the total value of the inventory that we have: The Air National Guard, the Air Force Reserve, and the Active Force. And we have tried to keep this in some sort of a balance, because we do need funds throughout the Department, to fund deficiencies that we have, and to begin to, or to continue to modernize the facilities that support this Department of the Air Force.

Senator SASSER. Well, I thank you for that. Just to elaborate a little bit on the utility of the Air Guard, we secured some new C-130's for our Air Guard unit, the Tennessee Air Guard operating out of Nashville, TN. And those C-130's are now operating into Bosnia, crewed by Air Guard crews, carrying supplies into Sarajevo and other locations, I think, in Bosnia.

So I think this is indicative that they can do the job if they are given the proper equipment; and I think they can do it at a considerable cost savings. Not that I want to totally transfer the function of the active Air Force to the Air Guard, we cannot do that. And I do not want to rob the Air Force of its capability in order to fund the Air Guard. But we need to get to some kind of balance here, in my judgment.

Mr. BOATRIGHT. Yes, sir; I think we have done a considerably good job in modernizing the Air Guard and the Air Force Reserve. As we have downsized the Active Force, we have brought additional more modern aircraft, and taken out of the Guard and the Reserve some of the older aircraft, and moved that into the storage area. And so we have systematically, as we have downsized, made a concerted effort to modernize the equipment in both the Guard and the Reserve, and we are continuing to do that.

Senator SASSER. But now, this particular unit in Nashville, TN, flying the new C-130—is that an H model?—C-130, H model, the plans are now to downsize them from 16 aircraft to 12 aircraft in fiscal year 1994. And that unit is ready to go, on 24-hours notice almost. So I really am reluctant to see that unit downsized, when they have got brand new C-130H's, and with the capability that they have.

#### BUY OUT LEASES

Let me move on to something else here. The Air Force seeks to spend \$20.2 million to buy out leases on 460 units of family housing at Comiso Air Base in Sicily, a base which is now closed. Does the Air Force have future plans to utilize this housing?

Mr. BOATRIGHT. No, sir; we do not have plans to utilize the housing. This is a measure that the Air Force is taking from a cost-effectiveness standpoint. I think we can save approximately \$8 million by buying out the lease, instead of paying for the balance of the term of the lease.

Senator SASSER. What is the current annual lease cost?

Mr. BOATRIGHT. Let me defer to General McCarthy to answer that, if I could, please.

General McCARTHY. I'd have to get the number from behind me here, sir, but if we continue to pay on the lease for the next 4 years, or remaining term, we would spend \$28.8 million overall. If we buy the lease out now, we would spend only \$20 million, for an \$8.6 million savings. The guys behind me can calculate the annual return, the amount.

Mr. BOATRIGHT. My recollection is, the annual lease payment is about \$7.2 million.

Senator SASSER. Well, Comiso is a NATO, was a NATO cruise missile base. Can we not approach the NATO infrastructure's fund to defray some of these costs here? Why should we bear all of them?

Mr. BOATRIGHT. My understanding is that the housing has never been a part of the NATO infrastructure fund. The housing has been a responsibility of the Nation with the force, and, therefore, it technically cannot be included under the NATO infrastructure funding.

Senator SASSER. Well, who was going to pay for the housing at Crotone?

Mr. BOATRIGHT. The Air Force was paying for the housing there, through a build/lease program.

Senator SASSER. So there was no NATO participation in the housing at Crotone?

Mr. BOATRIGHT. None whatsoever.

## MAXWELL AIR FORCE BASE RUNWAY

Senator SASSER. The Air Force is asking for \$16 million to lengthen the runway at Maxwell Air Force Base in Alabama. Now, this subcommittee turned down this project last year. Now, why are we seeing it again this year, and what is the specific valid requirement for this project? What specific aircraft would be accommodated by lengthening the runway, that are not now permitted to land without a waiver?

Mr. BOATRIGHT. I will ask General McCarthy if he would respond.

General McCARTHY. Our request, sir, is to lengthen the runway at Maxwell by 1,000 feet and build an overrun, for \$9 million. The purpose, the reason for that request, is that Maxwell is one of those bases that will probably be here as long as the U.S. Air Force is in being. The runway was built many years ago, and today cannot safely or adequately handle many of the aircraft the Air Force has: 135's, 117's, F-16's, none of them can land there without some restriction placed upon them.

So our view is that having an Air Force base that we are going to have for the duration, so to speak, and having a runway on it that cannot support most of the aircraft in the Air Force, does not make sense in terms of a long-term strategy for the base. Therefore, we believe investing now to lengthen the runway by 1,000 feet makes good sense over the long haul, into the next century. And that will allow most of the Air Force's aircraft to land there, adequately.

## CLIMATIC TEST LAB

Senator SASSER. The Air Force has requested \$57 million for the Climactic Test Lab at Eglin Air Force Base in Florida. Now, last year the committee turned down this project, which had been requested by the Defense Nuclear Agency; and we turned it down because in the view of the committee, the project is an Air Force project on an Air Force base. Now, what is the justification for this project?

General McCARTHY. The justification for this project is that the Climatic Laboratory, which allows us to test aircraft in very, very low temperatures, is in a sad state of repair. There are icicles hanging from the roof because of poor insulation, that fall on the airplanes. The floor is buckling. And it is a 40-year-old facility that is, frankly, worn out. And we need to continue testing aircraft in there, and need to rebuild the hangar.

Senator STEVENS. Would you yield, Mr. Chairman?

Senator SASSER. I would be pleased to yield.

Senator STEVENS. What does it cost to fly them up to where there is some real cold weather?

General McCARTHY. Not as much, sir. I cannot respond to the testing requirements of the airplane. I can try to answer for you later.

Senator STEVENS. I have been a critic of that testing plan for a long time, because the Concorde was tested out in the open in Fairbanks. Several foreign nations have brought their planes to Fair-

banks to test, but we build buildings, and now you want to rebuild it.

We can get you 65 to 70 below zero any year. Just bring your plane up, and you will get your testing, but I do not know why you have to continue to build these artificial plants. I am not criticizing you, general, but it does seem to me that is something we ought to discuss.

General McCARTHY. Yes, sir.

Senator STEVENS. Thank you.

Senator SASSER. Well, I think Senator Stevens makes a very persuasive case. In this time of austere budgets, if we can do something economically and save money, in my view we ought to do it. It appears to me that real outdoor weather testing might be more appropriate than the testing inside a building. At least, that is the way it appears to a layman. I would be open to persuasion or argument on that point.

Mr. BOATRIGHT. With your permission, Mr. Chairman, I will ask the Air Force test people to respond to that question, and we will expand our answers for the record.

Senator SASSER. Good.

[The information follows:]

#### COLD WEATHER AIRPLANE TESTING

Under field conditions, Development Test and Evaluation (DT&E) of military equipment may be unsafe, logistically difficult to support, lengthens acquisition times, and is more expensive and less productive than testing in the controlled climatic conditions provided by the McKinley Climatic Laboratory. The McKinley lab also gives the Government the capability to produce hot and tropic environments required for environmental testing, as well as the needed capability to cycle between the cold and hot environments. Unsafe: Aircraft deficiencies, which could result in loss of life or major weapon system damage, are frequently identified on weapon systems during DT&E testing conducted at the Climatic Laboratory. These same deficiencies, if they had been experienced in field testing could have had catastrophic results to prototype systems. Historical examples of this are on file dating back to 1947. In fact problems with conducting DT&E field testing in the 1980's contributed to the decision to build the McKinley Climatic Laboratory in the first place. Operational Test and Evaluation (OT&E) testing is still accomplished in the field at Eielson AFB, but only after the system has undergone DT&E in the controlled test environment to ensure safe operation.

Logistically difficult: Support equipment, as well as maintenance personnel must also function effectively to make the "system" operate. Attempts to test on rare "test days" when test conditions are correct are thwarted by unproven ground support equipment (under concurrent development) or unproven maintenance procedures on one-of-a-kind equipment. Often during DT&E, equipment used to support/troubleshoot maintenance lags air vehicle development and is not prepared for exposure to, or operation in, the natural environment. Competition for airspace and with active operational wings can also lead to mission aborts and further prolong the testing process. The controlled environment of the climatic lab helps overcome these types of logistical shortcomings.

Acquisition cycle: DT&E testing is usually accomplished before the first planned deployment of initial production items to the field. Normally, this testing is accomplished in a controlled test facility. If field testing in a natural environment were required, the acquisition schedules could be delayed substantially waiting for the appropriate weather conditions. In short, field test conditions are unreliable. To examples are: the test conditions that occurred during deployed testing of the A-10 at Eielson in the winter of 1976-77 where the temperature never dropped below -20 degrees F, and the deployed testing of the F-16 at Eielson in the winter of 1978-79 where the temperature never dropped below -25 degrees F. The risk to the acquisition schedule of uncontrollable meteorological conditions is appropriately reduced by the expenditure of funds to create controlled laboratory conditions.

Cost: Testing under controlled conditions yields far more accurate test results and is more economical than field testing. A full climatic test can be accomplished in

the lab in as little as three to four months, depending on the type of system being evaluated. These same tests would take substantially longer in the field. Having full support available for weapons systems at Eglin AFB also saves money in that the support equipment/manpower would not have to be deployed to support the test. The use of the single DOD facility by all three services results in further savings and streamlining the test infrastructure of the services by eliminating duplication. All three services endorse the upgrade to the McKinley lab as the single climatic test chamber in DOD.

Senator STEVENS. Ask them to tell me the specific tests, because I will get Concorde to come over and tell you what they did in Fairbanks.

#### CROTONE AIR FORCE BASE

Mr. BOATRIGHT. Yes, sir, Senator, we will do that.

Senator SASSER. Now, I assume that the proposed base at Crotone is now a dead letter, is that correct?

General McCARTHY. We have looked at Crotone, and we do not currently have plans to go back in there.

Senator SASSER. So is the Air Force looking at another location in the Mediterranean for a new air base?

General McCARTHY. Yes, sir; we are looking at several other locations, because we strongly believe we need a fighter presence in the southern region, particularly with the latest developments in the former Yugoslavia, and we are actively looking at locations.

Senator SASSER. Well, how will that be financed, by NATO?

General McCARTHY. We will ask that it be financed out of the NATO infrastructure program.

#### NUMBER OF BASE CLOSINGS

Senator SASSER. One final question here before yielding to Senator Stevens. How many air bases have been closed before the base closure process began in 1988? You told us, Mr. Secretary, but I did not catch the number.

Mr. BOATRIGHT. We have closed five bases as of today, and we will close four more by the end of this fiscal year.

Senator SASSER. Of those that have been closed, how many have been turned over to alternative uses?

Mr. BOATRIGHT. We have alternative uses being accomplished on all of the five bases except George Air Force Base in California. The one that has progressed the most as far as reuse is Pease Air Force Base in New Hampshire. That was the first base to be closed, and most of that base is in the hands of the local authorities and they are developing a number of economic contributors to the community and are doing quite well.

At England Air Force Base in Louisiana, which was closed at the end of this past calendar year and it was a 1991 closure, we have made available a considerable amount of property there, and a number of activities are underway and we are working a lease of the airfield right now, because the Army has some interest in doing some training activities at the former England Air Force Base.

Eaker Air Force Base has a few activities being accomplished at that base now. We are in the process of working, making some of the property under lease available to the local community so they can expand the activities that they have ongoing.

Myrtle Beach Air Force Base already had a joint use airfield there. They had a civil airport operating there. We have made much of that base available, are in the process of making additional parts of that base available pursuant to exchange authority that the Congress gave us last year, and that allows us to acquire some range land in South Carolina in exchange for land that is excess to the Department's requirements at Myrtle Beach.

Senator SASSER. Well, what prompts this question to begin with, Mr. Secretary, is that there are accusations that the Air Force is rather slow in turning over the bases so they can generate jobs in local communities, and that has been one of the specific accusations about Myrtle Beach Air Force Base.

As I recall it, Myrtle Beach, the runway there is shared—was shared. That was an A-10 base, was it not?

Mr. BOATRIGHT. Yes, sir.

Senator SASSER. And it was shared, the runway was shared with commercial aircraft on one side—

Mr. BOATRIGHT. Yes, sir.

Senator SASSER. And the A-10 operated on the other side.

Mr. BOATRIGHT. They have that airfield today, and they are operating it as a civil airport. The property has been leased to them for that purpose on an interim basis until we can get the necessary cleanup of the base done so we can convey it by permanent deed. There are other parts of the base down there that the State is very interested in, and there are some plans for some economic redevelopment at those locations, and that is the property that I was referring to in the exchange.

We have ongoing discussions with the local community leaders, both county and city and State officials, in regard to that exchange program.

I might add here that while we have done everything that we know how to do to make property available to these communities for reuse in a timely way, because we believe that is extremely important to these communities where we have closed bases, we have had some difficulty in doing that primarily associated with the indemnification provisions which were passed in law last year in both the appropriations act and the authorization act.

As a result of that, each one of our transfers of property has to go to the Deputy Secretary of Defense level for review. This has slowed down the process, so that at this point we are kind of at a crawl in trying to get property transferred.

The Air Force is prepared, and we had a system to provide property under leases to these communities until we can actually convey it by deed, and we are ready to do that, but the indemnification provisions are quite onerous on the Federal Government and there has been a great reluctance to proceed at a rapid rate, at least, until some reconsideration of those indemnification provisions.

Senator SASSER. Well, thank you very much, Mr. Secretary. We will turn now to Senator Stevens.

#### C-17 STATIONING PLAN

Senator STEVENS. Thank you very much, Mr. Chairman. Some years ago, Senator Inouye and I were briefed on the Air Mobility Command change and it appears that the station plan for the C-

17 has changed. Could you tell us, what is the stationing plan now for the C-17?

General McCARTHY. Sir, the only bases that have been announced have been Charleston Air Force Base in South Carolina and Altus Air Force Base in Oklahoma, which will be the training bases. The Air Force has not announced the remaining base, and I do not know them. I will have to find out.

Senator STEVENS. I notice that there are projects for Kelly in this budget. That is why I asked. The Altus has for the first time got some money for stationing C-17's, and we have money at Kelly also. What is the Kelly base for?

Mr. BOATRIGHT. The Altus one would be for the training. Go ahead.

General McCARTHY. Kelly is the depot assigned to take care of these aircraft, so although the aircraft will not be stationed there, it will be maintained there on a depot basis, so there are three projects at Kelly to give us the depot capability.

Senator STEVENS. I would hope they would be telling us what they are going to do. My impression and Senator Inouye's impression was that there would be three bases for the C-17. Now it looks like there will be six, from what you say, because none of those three that you mentioned were the three we were briefed on 2 years ago.

I think you better tell us how many bases are going to be required to maintain the C-17's under this new air mobility plan. We can do that for the record.

Mr. BOATRIGHT. Yes, sir; I think we have Charleston as the one operational base that we have announced, and that Altus is the training base, and then Kelly is the logistics support base, and we have not yet announced the other operational bases.

Senator STEVENS. It may mean there are five, rather than six, then.

[The information follows:]

#### C-17 BASING PLAN

Air Mobility Command is planning to base the C-17 at four locations; one training base and three operational bases. The training base, which has been announced, will be Altus Air Force Base, Oklahoma. Only one operational base has been announced and it is Charleston Air Force Base, South Carolina. The other two operational bases for the C-17 have not yet been announced. Kelly Air Force Base, Texas, will not have any C-17's stationed there; however, it will serve as the logistics support base for the C-17 weapon system.

#### C-17 SIMULATOR

Senator STEVENS. What about the simulator? When will the crews need the C-17 simulator? There is \$2.8 million requested for a building to house the simulator.

General McCARTHY. Sir, the simulator at Altus is being constructed in 1994 and will be available for the pilots in 1995.

Senator STEVENS. It will be available in 1995. Who is going to build that?

General McCARTHY. The facility is built with Milcon, military construction money, and the simulator itself is purchased with equipment money and mated up with the building.

Senator STEVENS. Well, I will pursue who is the manufacturer of the simulator, too. It does seem that the contract for the building is ahead of the simulator.

#### ALASKAN CHILD DEVELOPMENT CENTERS

Let me switch over to an Alaska matter. There are two new child development centers in the budget for Alaska. Can you tell me what is the scope of these projects, and when will they be completed? One is for Elmendorf and one is for Eielson, each about \$5 million as I understand it.

General McCARTHY. I do not have that information at my fingertips. The gentlemen in back of me are looking for it now, sir.

[The information follows:]

#### ALASKAN CHILD DEVELOPMENT CENTERS

Each of these facilities has a scope of 22,900 square feet and will provide supervised care for 300 dependent children aged six weeks through ten years. Eielson's Child Development Center will be completed in March 1995 at a projected cost of \$5.4 million and Elmendorf's will be completed in April 1995 at a projected cost of \$5.1 million.

#### AIR FORCE HOUSING

Senator STEVENS. All right. We will come back for it.

In terms of Air Force housing in 1993 we spent a total of \$1.2 billion on family housing costs, new construction, and maintenance. That has been brought down now to about \$1 billion, a \$200 million reduction. You got some savings from base closings, probably, but given the shortage that we heard about in terms of housing, how could you bring down that much in 1 year?

General McCARTHY. The principal reduction, sir, was in the improvements account, where we improve existing housing, and it is reduced, and it was a matter of affordability.

Senator STEVENS. It is just affordability rather than priority, right?

General McCARTHY. Yes, sir.

Senator STEVENS. If additional funds turn out to be available in this Milcon bill, which is the higher priority, new construction, or repairs?

Mr. BOATRIGHT. I think that it depends on the economics of the housing that we are looking at. If it costs over approximately 70 percent of replacement costs to upgrade it, then we would normally ask for a replacement, so we look at each in our whole house improvement program, we look at the housing to be improved, and we do a cost analysis, and if it looks more favorable to replace it, then we ask for replacement funds. If it looks like we can repair it and upgrade it economically, then we ask for improvement funds.

Senator STEVENS. I was really seeking—if we add back some money, would you put a higher priority on the money that was cut on an affordability basis or on the new construction?

General McCARTHY. Sir, we are not asking for construction money for additional houses. The construction money we are asking for is to replace houses that we already own that cannot be restored economically.

Senator STEVENS. I see.

General McCARTHY. We would ask, if we had a choice of adding back, it would be in the improvements area or replacement construction.

Mr. BOATRIGHT. I think the real answer is a combination of those two, probably based on our priority requirements.

Senator STEVENS. It does seem that everywhere we go we get complaints about housing and World War II housing is still being used.

Mr. BOATRIGHT. We still have a huge backlog of housing to bring it to current day standards. I think the program is going to take another 18 to 20 years to finish, at the present funding rates.

#### WRIGHT-PATTERSON ACQUISITION MANAGEMENT COMPLEX

Senator STEVENS. Tell me about this \$12.8 million for phase 2 of the acquisition management complex at Wright-Patterson. That was justified in 1992, originally, and we were under the impression that it had been reviewed, and since it was associated with defense acquisition, and that acquisition budget is coming down, it does not seem that we ought to be modernizing the buildings at Wright-Patterson for an organization that is diminishing. Why do you continue that acquisition management complex at Wright-Patterson, and why do we have to have a phase 2?

General McCARTHY. Sir, that is a single building for the acquisition community, as you say. The effort was to try to restore the terrible conditions the acquisition division had at Wright Field, at Wright-Patterson area B. It is an attempt to get out of some very old and decrepit buildings, and keep in mind the reduction in size of the acquisition community. It has been sized to that reduction.

Senator STEVENS. Well, we put up \$20 million for phase 1 in 1992. Since then, that whole budget has come down substantially. I really do not understand the priorities between what we just went through, \$200 million taken out of housing for people and bases that are going to stay open, and here is \$20 million added to the budget for a division that by definition is being reduced substantially. The defense acquisition budget is down substantially. Justify that priority to me, will you?

Mr. BOATRIGHT. The Air Force Systems Division at Wright Pat, which is the facility that this is to house, is getting smaller.

Senator STEVENS. Now, wait a minute, this is not the systems—I am told this is the defense acquisitions system.

Mr. BOATRIGHT. I think it all supports the Aerospace Systems Division at Wright-Patterson. I think it is a part of the program to modernize all facilities. We could not bite off the whole program in one chunk, so we phased it. We have been making adjustments to the phases as we move through the program.

We are at the second phase now that we are asking for funds, but we made adjustments as the size of that activity reduces, but there are still several phases that must be accomplished if we are going to replace those dilapidated facilities that we have that very important division operating out of today.

Senator STEVENS. You are going on to the defense agencies now?

Senator SASSER. Yes.

Senator STEVENS. Thank you very much, Mr. Chairman.

Senator SASSER. Well, thank you very much, Senator Stevens.

Secretary Boatright, I want to thank you for appearing here this morning, and to thank our distinguished Air Force officers.

There is some rumor going around, Mr. Secretary, that you may be considering retiring and laying your burdens down. I hope that is not the case, because we have continued great need for competent, unbiased professionals, dedicated professionals, I might say in your case, in the Pentagon, and I would like to see you coming before this committee for many years to come.

Mr. BOATRIGHT. I appreciate your comments, Mr. Chairman, but I must tell you it is true, I plan to retire next February—February 3 exactly, and I do appreciate those comments.

Senator SASSER. Well, we appreciate your many years of distinguished service to the Government of the United States. I hope the very best for you in your retirement, and perhaps you will appear before the committee at least one more time before this becomes official.

Mr. BOATRIGHT. Hopefully more than once.

Senator SASSER. Thank you very much.

## DEFENSE AGENCIES

### DEFENSE LOGISTICS AGENCY

#### STATEMENT OF BRIG. GEN. ROBERT P. McFARLIN, USA, EXECUTIVE DIRECTOR FOR DISTRIBUTION

##### OPENING REMARKS

Senator SASSER. We will next hear from a panel from the defense agencies, and I would ask the panel to take their seats.

Gentlemen and lady, I welcome you here this morning, and we are prepared now to hear testimony from the defense agencies.

I would note at the outset that the request for the defense agencies is 311 percent more than was approved last year, so we will hear some justification for that, I am sure, this morning.

Now, the way we will proceed is that the subcommittee will hear testimony from all of the witnesses before we turn to questions. I would ask the panel to introduce yourself and the agency you represent. I would ask each of you to be brief, and your entire statement will be included in the record, and we will begin from my right, or maybe from your left to right, with Brigadier General McFarlin, and move across in that way.

##### SUMMARY STATEMENT

General MCFARLIN. Thank you, Mr. Chairman. I am Brig. Gen. Robert McFarlin, Executive Director for Distribution of the Defense Logistics Agency.

Before beginning my brief oral statement, I would ask that my written statement be included for the record.

Senator SASSER. It will be included in the record in its totality.

General MCFARLIN. The Defense Logistics Agency's 1994 military construction request is a modest \$57.7 million. The 12 projects we propose to construct are the minimum required facilities investments to enable us to support the readiness of the military services and improve the environment and safety at our activities.

At several of our activities, the need to replace aging, deteriorated facilities can no longer be deferred due to the structural condition of these buildings. Modern facilities meeting environmental and safety regulations will enhance our ability to improve customer service with minimal adverse impacts.

DLA's mission to store and distribute hazardous materials requires we pay particular attention to the environmental consequences of our operations. Facilities that provide environmental protection and safe working conditions for our employees are essential to eliminate future costs of not complying with regulatory requirements.

In meeting DLA's mission to support the services' worldwide fuels requirements, we must ensure required fuel stocks are posi-

tioned when and where needed. Our two fuel storage projects in this request will meet this requirement.

#### PREPARED STATEMENT

In summary, our military construction requests reflect our effort to support readiness, protect the environment, and provide safe working conditions for our military and civilian work force. These investments will allow us to meet these challenges.

Mr. Chairman, this concludes my oral statement. Thank you for asking me to appear. I will be prepared to answer questions.

Senator SASSER. Thank you, General McFarlin.

[The statement follows:]

#### STATEMENT OF BRIG. GEN. ROBERT P. MCFARLIN

Mr. Chairman and members of the Subcommittee: I am Brigadier General Robert P. McFarlin, Executive Director of Distribution, for the Defense Logistics Agency (DLA). I am pleased to have the opportunity to provide you information about DLA's fiscal year 1994 Military Construction request.

#### MILITARY CONSTRUCTION REQUEST

Our total Military Construction request for fiscal year 1994 is \$57,738,000. This includes: \$20.6 million for mission essential storage and administrative facilities that need replacement or modernization at five DLA activities; \$18.7 million for improving health, safety, and environmental conditions at two storage sites; \$15.4 million for two fuel storage projects; and \$3.1 million for a child development center at one of our supply centers for DOD military and civilian employees. These projects are indicative of the Agency's varied missions in supporting the readiness of the Military Services.

Mr. Chairman, I would like to review briefly each of DLA's Military Construction projects and discuss how these projects will support the mission of our Agency, maintain environmental compliance, and provide a safe, quality work place for our employees.

#### REPLACEMENT FACILITIES INVESTMENTS

We have requested five projects to replace or modernize aging facilities at our activities.

The first project is a Petroleum, Oil, and Lubricants (POL) laboratory at the Defense Fuel Support Point in Pearl Harbor, Hawaii. This lab tests, analyzes, and inspects military fuel products received or issued in the Hawaiian and Central Pacific areas. The current facility, built in 1919, is in a converted, termite-infested warehouse with severe structural deterioration. It does not comply with current standards for proper ventilation and fire protection to safely handle fuels and chemicals. The cost of this new laboratory is \$2.3 million.

Our second project will replace a warehouse at the Defense Reutilization and Marketing Office at Fairbanks, Alaska that is uneconomical to renovate. The existing wooden structure was constructed in 1952 for temporary use. Because of structural deterioration of the wooden roof, columns, and concrete foundations, we were compelled to install makeshift bracing to carry some of the heavy snow loads. In addition, this facility has inefficient heating, inadequate lighting, and no water service for a fire protection system. This project will provide a safe, modern, and efficient warehouse to perform the reutilization and marketing operations of property storage, administration, and auctions. The cost is \$6.5 million.

Our third project request is for MILCON funding of \$5.2 million to complete the final increment of the DLA Headquarters building at Fort Belvoir, Virginia. The first increment of a multi-year-funded construction contract was awarded in 1992. This facility is conjunctively funded with Base Realignment and Closure (BRAC) funds approved for the closure of the Army's Cameron Station, Virginia installation. MILCON funds are required to pay that portion of the building's cost to accommodate DLA and Defense Contract Audit Agency (DCAA) personnel who now work in locally leased space. These employees were not included in the 1988 BRAC requirements for DLA and DCAA. None of the space in this facility will be occupied by the Defense Finance and Accounting Service.

The remaining two projects for facilities replacement are at sites recommended for closure or realignment to the 1993 Defense Base Closure and Realignment Commission. The Secretary's recommendation was made after our budget submission. These projects are:

- One, the replacement of an aging coal-fired central heating plant with individual building gas-fired boilers for a cost of \$6.0 million at the Defense Electronics Supply Center (DESC) in Dayton, Ohio. This project is not required if DESC is closed; however, some central plant repairs will be needed to maintain its heating capability during the closure period.
- Two, the relocation of the Defense Reutilization and Marketing Office's (DRMO) scrapyard storage and demilitarization facilities from Norton Air Force Base, California to March Air Force Base, California for a cost of \$630,000. This is a MILCON conjunctively funded project to accompany ongoing work by the Air Force to implement the fiscal year 1991 BRAC decision to close Norton AFB and relocate functions to March AFB. At this time we do not expect the proposed realignment of March AFB to a reserve base to affect the need for this project.

#### ENVIRONMENTAL AND HEALTH AND SAFETY INVESTMENTS

We are requesting four projects that will protect employees and the environment at our storage depots and also improve our operating capability.

Three of the four projects are at the Defense Distribution Depot Richmond, Virginia (DDRV), a tenant of the Defense General Supply Center (DGSC). DDRV is responsible for storage and distribution of hazardous materials and packaged petroleum products for the Eastern United States. These projects will continue our regional consolidation of hazardous materials storage at centralized storage sites to improve storage management, environmental compliance, and safety. Other regional hazardous material storage sites are at Defense Distribution Depots in Memphis, Tennessee and Ogden, Utah.

Our first project at DDRV will alter an existing general purpose warehouse for hazardous material storage for a cost of \$2.9 million. Alterations will provide spill containment, fire protection, ventilation, and electrical systems that comply with federal and state health, safety, and environmental standards for hazardous material storage. Rehabilitating this existing warehouse will provide additional storage space for hazardous materials at less than one half the cost of a new facility.

In the second project at DDRV we will construct four sheds to store 150,000 drums of anti-freeze and petroleum, oil, and lubricants (POL). Existing steel drums are currently stored outside on unpaved, graveled surfaces. The sun and harsh weather deteriorate these drums, which leads to leaks and product contamination by water and dirt. Handling drums in this condition on rutted surfaces is hazardous to depot personnel and causes damage to material handling equipment. Moreover, leaking drums are a serious source of pollution to the soil and groundwater. These open-sided sheds will provide covered storage to reduce exposure of the drums to the weather and curbed concrete hardstands to prevent runoff of any POL leakage into the soil or sewers. The cost is \$9.5 million.

Our third project at DDRV is a hazardous material processing facility for a cost of \$4.6 million. This project will consolidate the receiving and packaging of hazardous materials at the depot to one location. With this facility, depot personnel can reduce excessive handling of hazardous materials, eliminate duplicative packaging equipment, and improve safety oversight of hazardous material receiving operations. Elimination of packing areas in three warehouses will free up about 30,000 square feet for additional hazardous materials storage.

Our fourth project in this category is for fire protection and open storage improvements at the Defense Reutilization and Marketing Office (DRMO), Hill Air Force Base, Utah, for a cost of \$1.7 million. Existing covered and open storage facilities do not have fire protection systems to alert personnel or contain a fire from uncontrolled spreading. This project provides this protection. In addition it improves eroded open storage areas that pose safety hazards to personnel and cause damage to material handling equipment. This project combines fire protection and storage improvements since installation of water service piping for the hydrants and fire sprinkler systems will disturb a large section of the open storage yard.

#### FUEL STORAGE INVESTMENTS

Another of DLA's missions is meeting the worldwide needs of U.S. land, air, and sea forces for jet fuel, aviation and automotive gas, and fuel oils and coal for heating and power generation. In support of the Services' fuels requirements, we are requesting two fuel storage projects.

The first project is for a new 150,000-barrel fuel tank at the Defense Fuel Support Point in Diego Garcia (\$9.6 million). This project is the second phase to satisfy a requirement of 300,000 barrels of diesel fuel storage. The first phase of the project was authorized and appropriated in fiscal year 1992. Diego Garcia provides bulk fuel storage in support of tenant shore activities and operating forces of the U.S. Navy. Storage capacity for peacetime operations and war reserves are inadequate for existing requirements. Any tanks taken out of service for repairs or maintenance further reduce the available storage capacity. This additional tankage will satisfy these requirements.

Our second fuel tankage project is at the Defense Fuel Support Point (DFSP) in Roosevelt Roads, Puerto Rico (\$5.8 million). DFSP Roosevelt Roads is the only major fuel resupply point in the Southern Caribbean and South Atlantic. The current storage capacity is inadequate to satisfy operational requirements in support of U.S. contingency plans. This situation is exacerbated by unplanned requirements to fuel ships and aircraft conducting narcotics interdiction operations.

#### QUALITY OF WORK LIFE

The last project in our request is for Child Development Center at the Defense Construction Supply Center at Columbus, Ohio to care for 198 children. This \$3.1 million facility will provide quality child care for DOD military and civilian employees in an area that has insufficient public child development facilities to meet the demands of our workforce. Our efforts to develop a third-party-financed project for this requirement were not successful.

#### SUMMARY

Our Military Construction request reflects our efforts to support military readiness, protect the environment, and provide safe working conditions for our military and civilian workforce. These investments will allow us to meet our legal and moral obligations to our employees, local communities, and future generations.

Thank you, Mr. Chairman, for this opportunity to present our requirements.

### OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS

#### STATEMENT OF PATRICIA WATSON, PRINCIPAL DEPUTY FOR HEALTH SERVICES OPERATIONS

Senator SASSER. We will turn now to Ms. Watson.

Ms. WATSON. Good morning. I am Patricia Watson. I am Principal Deputy for Health Services Operations in the Office of the Secretary of Defense.

Mr. Chairman and members of the subcommittee, I thank you for the opportunity to present the DOD fiscal year 1994 medical Milcon requirement today. This budget requests an appropriation of \$709.7 million for major construction projects as well as the \$3.757 million for unspecified minor construction.

As our facilities continue to age, the unspecified minor construction portion of our budget becomes increasingly important, and we have programmed a 33-percent increase to this account over our 1993 request. We are seeking \$25.9 million in planning and design funds to complete designs on projects identified for fiscal year 1994, to continue design on projects programmed for 1995, and to start design for those projects identified in 1996.

Our fiscal year 1994 medical military construction program is made up of the full funding of four ongoing previously phase funded construction projects. We are also asking for support for eight life safety projects, two medical training projects, and two projects in support of our medical research program.

This year we are requesting all the remaining funds for these ongoing, large, previously phase-funded hospital construction projects. The Department has returned to this policy in an effort to fully

identify the costs of each project from its initiation. These projects include the Brooke Army Medical Center project first authorized in fiscal year 1987. We will request the final appropriation of \$75 million this year to complete this project.

The replacement facility for Portsmouth Naval Hospital, Norfolk was fully authorized in fiscal year 1990 at a total cost of \$330 million. To date, we have received appropriations totaling \$104.5 million. We are seeking the remaining \$211.5 million required to complete this project, which will serve the Nation's largest military beneficiary population.

We have received total authorization of \$250 million for Womack Hospital at Fort Bragg, NC, in fiscal 1992, which included a \$45 million base realignment and closure appropriation. The Congress appropriated \$10 million of medical military construction funds in fiscal 1993, and we are seeking the remaining \$195 million of appropriation this year. This facility supports the largest active duty Army population and has reached 65 percent design.

The final phase funded project we are seeking funding for this year is Elmendorf Air Force Base in Alaska. We received \$15 million in fiscal year 1993 to initiate site preparation work. We are requesting the remaining \$135 million this year.

The Department of Veterans Affairs is requesting \$11 million in their budget for their share of the planning, design, and construction of this joint venture facility. The project reached 35 percent design in January, and we expect design completion in January 1994.

In support of our life safety program, we are requesting projects at eight facilities in the United States. These facilities include Millington Naval Air Station, TN, Cannon Air Base in New Mexico, Edwards AFB, CA, Fort Eustis, VA, Ellsworth AFB, SD, Fairchild AFB, WA, Grand Forks AFB, ND, and Offutt Air Force Base in Nebraska.

All of these facilities contain life safety code violations which place their accreditation by the Joint Commission on Accreditation of Health Care Organizations in jeopardy and pose a potential threat to health care providers and recipients.

We have now taken on the responsibility for construction of medical training, research, and development facilities. This realignment from the military departments was accomplished last year, and will enable us to manage all health care-related costs from a central point within the Department.

At Fort Sam Houston, TX, we are seeking appropriation for two projects in support of medical training. The first project is a combat medical training complex at a cost of \$1.4 million, which will provide training for medical noncommissioned officers and combat medical specialists at Fort Bullis, TX.

The second project is the construction of a noncommissioned officer academy medical department and school. This \$3 million facility is required to train approximately 2,650 students per year in all 32 medical military occupational specialties.

There are two projects in support of medical research included in our budget. We have received total authorization of \$147.3 million in fiscal 1993 with an appropriation of \$13.3 million for the Walter Reed Army Institute of Research in Forest Glen, MD. We are requesting \$48.1 million for the second phase of this project.

The second facility in support of medical research is an addition to the biological incinerator at Fort Detrick, MD, at a cost of \$4.3 million. This project will bring the medical waste incineration facility at Fort Detrick into compliance with State standards.

#### PREPARED STATEMENT

I want to thank the committee for its support of the Department's medical military construction program. Your understanding and assistance have been instrumental in helping us complete our high priority projects. I look forward to working with you in the future and thank you for the opportunity to present the fiscal year 1994 medical military construction program.

Thank you.

Senator SASSER. Thank you, Ms. Watson.

[The statement follows:]

#### STATEMENT OF PATRICIA L. WATSON

Mr. Chairman and members of the subcommittee: Thank you for this opportunity to present the Department of Defense fiscal year 1994 medical military construction program to you today.

This budget requests appropriation of \$709,700,000 for major medical construction projects as well as \$3,757,000 for unspecified minor construction which permits us to accomplish urgent, unforeseen medical construction projects costing less than \$1,500,000. As our facilities continue to age, this portion of our budget becomes increasingly important and we have programmed a thirty-three percent increase to this account over our fiscal year 1993 request.

We are seeking \$25,700,000 in planning and design funds to complete designs on projects identified for fiscal year 1994, to continue design on projects programmed for fiscal year 1995 and to commence design on projects identified for fiscal year 1996.

Our fiscal year 1994 medical military construction program is unlike any other that we have brought before you. The program is made up the full funding of four ongoing, previously phase-funded construction projects. This request includes of those hospital projects which are totally authorized and cost over \$100,000,000 but for which we had previously sought incremental funding. We are also asking for support for eight life-safety projects, two medical training projects, and two projects in support of the medical research program.

#### FUNDING OF LARGE HOSPITAL CONSTRUCTION PROJECTS

This year we are requesting all remaining funds for ongoing large, previously phase-funded hospital construction projects. The department has instituted this policy in an effort to fully identify the costs of each project from the beginning. The phase-funded, approach to fund these large projects has the potential to disrupt or even stop any of these large construction projects. We anticipate expediting these projects and achieving these associated cost efficiencies with more rapid completion by fully committing to them from the start. An example of our early experience with this approach is at Brooke Army Medical Center, where the contractor now expects to complete this project ten months ahead of schedule. The Brooke Army Medical Center project was first authorized in fiscal year 1987. We will be requesting the final appropriation this year. We need \$75,000,000 to complete this project.

The replacement facility for Portsmouth Naval Hospital, Norfolk, Virginia, was fully authorized in fiscal year 1990 at a total cost of \$330,000,000. To date, we have received appropriations totalling \$104,500,000.

These funds have been utilized for dredging, demolition, construction of interim facilities, relocation of a set of historical quarters, utilities installation and construction of several support facilities including a parking structure and a clinical investigation facility. We are seeking the remaining \$211,900,000 required to complete this project which, when completed, will serve the nation's largest military beneficiary population.

We received total authorization of \$250,000,000 for Womack Hospital at Fort Bragg, North Carolina in fiscal year 1992, which included a \$45,000,000 base realignment and closure appropriation. The Congress appropriated \$10,000,000 of

medical military construction funds in fiscal year 1993 and we are seeking the remaining \$195,000,000 of appropriation this year. This facility supports the largest active duty army population. This project has reached 65 percent design.

The final phase funded project we are seeking funding for this year is Elmendorf Air Force Base in Alaska. We received \$15,000,000 in fiscal year 1993 to initiate the site preparation work for this project. We are requesting the remaining \$135,000,000, for this project this year. The Department of Veterans' Affairs is requesting \$11,150,000 in their budget for their share of the planning, design and construction of this joint venture facility. This project reached the 35 percent design stage in January of this year and we expect design completion in January 1994.

#### CONSTRUCTION IN SUPPORT OF LIFE-SAFETY CONCERN

We must provide safe, efficient, expedient and cost-effective health care to all eligible beneficiaries. Fulfilling this mission requires first and foremost, that our facilities be a safe place in which to work and to receive health care. We strive to expeditiously identify unsafe operating conditions and correct them in the most cost-effective manner.

In support of this program, we are requesting life-safety projects at eight facilities in the United States. These locations include Millington Naval Air Station, Tennessee (this is the final phase of this project which was authorized and received \$10,000,000 in funding in fiscal year 1993); Cannon Air Force Base, New Mexico; Edwards Air Force Base, California; Fort Eustis, Virginia; Ellsworth Air Force Base, South Dakota; Fairchild Air Force Base, Washington; Grand Forks Air Force Base, North Dakota; and Offutt Air Force Base, Nebraska.

All of these facilities contain life-safety code violations which place their accreditation by the Joint Commission on Accreditation of Healthcare Organizations in jeopardy and pose a potential threat to both health care providers and recipients. Identified deficiencies include such items as: insufficient numbers of fire exits, non-rated fire doors, lack of smoke and fire zones, unsealed vertical openings between floors, dead-end corridors, lack of sprinkling within the building, structural deficiencies, and removal of asbestos.

#### CONSTRUCTION IN SUPPORT OF MEDICAL TRAINING AND RESEARCH

We have now taken on the responsibility for construction of medical training, research and development facilities. This realignment from the military departments' was accomplished last year and will enable us to manage all health care related costs from a central point within the department. This action was initiated to bring the budget into compliance with the Secretary of Defense decision to align all medical training, research and health care facilities under the auspices of the Assistant Secretary of Defense for Health Affairs.

At Fort Sam Houston, Texas, we are seeking appropriation for two projects in support of medical training. The first project is a combat medical training complex at a cost of \$1,400,000 which will provide training for medical non-commissioned officers and combat medical specialists at Fort Bullis, Texas. The program conducts hands-on training in administering field medical care and emergency medical treatment to battlefield casualties. This facility will replace a facility located in Salado Creek which is located in a flood plain and is in extreme disrepair. The expenditure of funds for the maintenance, repair and upkeep of facilities located in a defined flood plain is prohibited.

The second project is the construction of a Non-Commissioned Officer Academy—Army Medical Department (AMEDD) Center and School. This \$3,400,000 facility is required to train approximately 2,650 students per year in all 32 medical military occupational specialties. These specialties include such programs as physical therapy, practical nursing, medical equipment repair and preventive medicine. The programs are currently housed in World War II wooden structures which are scheduled for demolition.

There are two projects in support of medical research included in our budget. We received total authorization of \$147,300,000 in fiscal year 1993 with an appropriation of \$13,300,000 for the Walter Reed Army Institute of Research, in Forest Glen, Maryland. We are requesting \$48,140,000 for the second phase of this project which initiates construction of the foundations, floor slabs, structural frame, roofing system, emergency generators utilities and information systems. This facility is to support the national defense mission to limit the adverse effects of disease, injury and stress on our ability to work, train, and fight worldwide. Navy infectious disease research and development programs and assets will be incorporated into this facility and will comprise approximately 10 percent of the new building occupancy.

The second facility in support of medical research is an addition to the biological incinerator at Fort Detrick, Maryland at a cost of \$4,300,000. This project will bring the medical waste incineration facility at Fort Detrick into compliance with state standards. The failure to provide this facility will seriously jeopardize medical research at this location. Proper disposal and volume reduction of medical laboratory waste is required to realize the full potential of Fort Detrick's limited landfill. Failure to support this project will dramatically decrease the usable life of the landfill from 35 years to seven.

#### CLOSING

I would like to thank this committee for its support of the department's medical military construction program. Your understanding and assistance have been instrumental in helping us complete high priority projects. I look forward to working with you in the future and thank you for the opportunity to present the fiscal year 1994 Department of Defense medical military construction program to you today.

This concludes my opening statement. I stand ready to answer any questions that you may have.

### NATIONAL SECURITY AGENCY

#### STATEMENT OF JOSEPH BELLOMO, CHIEF, INSTALLATIONS AND LOGISTICS

Senator SASSER. Mr. Bellomo.

Mr. BELLOMO. Thank you. Good morning, Mr. Chairman and members of the committee. My name is Joseph Bellomo, and I am Chief of the Installations and Logistics Organization of the National Security Agency.

It is a pleasure to appear before this committee to present our fiscal year 1994 budget request for military construction and family housing. Our fiscal year 1994 major Milcon program request of \$58.6 million is targeted to improve facilities for critical mission support at our headquarters complex at Fort George G. Meade, MD.

Our central operations building, known as Operations Building 1, which houses NSA's principal computers and mission operations, is 36 years old, and was not originally designed to support modern-day computer complexes and technical systems. The first military construction project, the Operations Building 1 roadway structure enhancement for \$5.9 million, will provide structural modifications and repairs to the enclosed internal roadway located in the basement of Operations Building 1. This project is critical to improve dangerously unsafe conditions caused by age and overstressed utility support systems.

The second project, the supercomputer facility, at \$52.7 million, will provide the space, chilled water cooling, and power required for optimal performance of the agency's supercomputers. This facility is needed because the Operations Building 1 space where the agency's supercomputers are currently housed has deteriorated badly. It is overstressed, and cannot reliably support the space power and cooling requirements of the sophisticated equipments, or accommodate the supercomputers that will be coming on line in the mid to late 1990's.

Family housing defense appropriations funds of \$11.6 million is required in fiscal year 1994 to satisfy the housing needs of our civilian and military personnel assigned to overseas locations.

## PREPARED STATEMENT

This completes my statement. Thank you for the opportunity to appear before this committee and to present NSA's Milcon and family housing program.

Senator SASSER. Thank you.

[The statement follows:]

## STATEMENT OF JOSEPH BELLOMO

The National Security Agency appreciates the opportunity to present our fiscal year 1994 budget request for Military Construction and Family Housing.

Our fiscal year 1994 Military Construction Program is oriented toward supporting mission technology and maintaining facilities at our headquarters complex at Fort George G. Meade, Maryland. The fiscal year 1994 Operations Building One Roadway Structural Enhancement (\$5,910,000) will provide structural modifications and repairs to the enclosed, internal roadway located in the basement of the 36-year-old Operations Building One. The Supercomputer Facility (\$52,720,000) will provide the space and the chilled water cooling and power capacities required for optimal performance from the Agency's supercomputers. The conditions of the facilities in which the Agency's supercomputers are currently housed are deteriorating badly, and they cannot reliably support the space, power, and cooling requirements of these sophisticated equipments or accommodate the supercomputers that will be coming on line in the mid to late 1990's.

Family Housing/Defense Appropriations funds are required in fiscal year 1994 (\$11,649,000) to satisfy the housing needs of our civilian and military personnel assigned to overseas locations.

An annex containing additional information on each of these projects is attached.

## MILITARY CONSTRUCTION AND FAMILY HOUSING PROGRAMS DEFENSE APPROPRIATION

## ANNEX IN SUPPORT OF THE FISCAL YEAR 1994 BUDGET REQUEST BY THE NATIONAL SECURITY AGENCY

*Fiscal year 1994 Operations Building One roadway structural enhancement—\$5,910,000.*—The Operations Building One (OPS 1) is a 36-year-old structure that houses critical National Security Agency operations. A roadway for delivery and transport was constructed in the basement when OPS 1 was built. Many operational systems have been acquired and installed over the life of the building, with lateral utility distribution accomplished by a system of pipes and conduits that are suspended from the roadway roof slab (first floor slab). A utility investigation revealed that the slab is overloaded and overstressed due to the large number and weight of these utility lines. Preliminary investigation indicates that the ceiling slab is 22 percent overstressed in some areas.

The current situation places utility lines at risk. Failure of the roof slab or utilities line fasteners could result in critical systems failure and presents a serious safety hazard to employees using the roadway. To partially mitigate this critical safety hazard, an emergency, temporary bracing system has been installed to provide a safety net for Agency employees and to relieve some of the stress on the ceiling slab by supporting the utilities anchored to the slab.

The Operations Building One Roadway Structural Enhancement Project will provide a new structural support system to transfer the load of utilities pipes and conduits from the roadway roof slab to the building columns and foundation. Certain utilities system components will be duplicated to allow their rearrangement and replacement with minimal service interruptions. The roadway walls will be modified to accommodate the new structural support system and the new utilities components. Abandoned utilities lines will be removed and the roadway roof slab will be repaired.

This project provides a long term solution to the interim bracing system described above. It corrects an existing overload condition that could result in major disruptions to NSA's mission and endanger the work force.

*Fiscal year 1994 supercomputer facility—\$52,720,000.*—Most of the Agency's supercomputers are located in the 36-year-old Operations Building One (OPS 1). Over time, the use and function of the building has undergone many changes. Consequently, numerous alterations to building space, power and cooling infrastructure have been required. Power and mechanical outages that adversely affect supercomputer operations occur each year. Many are unscheduled and are due to

aging infrastructure/equipment with minimal power and chilled water redundancy. Supercomputers purchased in the next decade and beyond will require power, cooling and space. Existing facilities are not conducive to optimal placement and layout of supercomputer support equipment due to column spacing and ceiling heights. Mechanical and electrical piping distribution systems are complex, old, and eroding. Water leakage in many areas of existing facilities is commonplace, increasing the potential for serious damage to expensive supercomputer equipment. The combination of these conditions adversely affects performance.

A cost/benefit analysis was performed to determine whether the best alternative to alleviate this problem would be the construction of a new building to house the supercomputers, or the rehabilitation of existing Agency spaces. This analysis concluded that construction of a new facility tailored to computer needs is the preferred solution. Rehabilitation of existing facilities would require modifications for installation of more reliable and more flexible electrical, mechanical and structural systems. These modifications would take approximately ten years to complete and would significantly disrupt ongoing operations and seriously affect the Agency's mission.

The Supercomputer Facility is a 182,966 gross square foot facility that will house the next generation of supercomputers as well as permit the consolidation of existing supercomputers into one facility designed to provide the power and climate suitable for these unique equipments. Architectural, electrical, mechanical and other building systems will provide maximum flexibility in initial placement and subsequent additions, deletions, or relocation of supercomputer components. The Supercomputer Facility is required now to overcome escalating computer outages by providing reliable supercomputer space. This will allow the Agency to remain committed to advances in mission technology and continue to respond to ever-increasing worldwide tasking requirements.

*Fiscal year 1994 family housing/Defense appropriations—\$11,649,000.*—The NSA Family Housing Program is designed to provide adequate housing for civilian and military personnel assigned to overseas locations throughout the Agency's theater of operations. The fiscal year 1994 request of \$11,649,000 will allow NSA to continue its Government-leased program in 25 countries, operate, maintain and improve its Government-owned units.

A total of \$10,414,000 will provide funding for leases in fiscal year 1994. NSA uses these lease authorizations to rent units from private homeowners throughout the world in order to provide housing for a portion of the civilian and military personnel assigned to overseas locations. The total cost for a typical Government lease includes rent, utilities, maintenance and Realtors fees.

In addition to Government leases, DOD currently owns 161 housing units overseas. Funding required to sustain these owned units in acceptable condition includes: operations (\$525,000), maintenance (\$228,000) and utilities (\$432,000). Specifically, the dollars will provide for electricity, gas, and water charges; legal fees; repair and replacement of furnishings; rates (taxes); refuse collection and disposal; administrative support, including local national salaries; and routine maintenance/cleaning of both the dwelling and utility systems.

A \$50,000 fiscal year 1994 overseas family housing construction program is required. The funds will be used to modify living space in two government owned units.

Both Government-leased housing and Government-owned housing are necessary in areas with severe housing shortages and rental costs that exceed the living quarters allowance rates set by the State Department. These leased and owned units provide stability to NSA's housing programs, ensuring that adequate accommodations are provided to employees and their families on a timely basis, as these individuals adjust to living conditions quite different from those in the United States.

#### U.S. SPECIAL OPERATIONS COMMAND

#### **STATEMENT OF REAR ADM. IRVE C. LEMOYNE, DIRECTOR OF RESOURCES**

Senator SASSER. Rear Admiral LeMoyne, will you give us your testimony, please?

Admiral LEMOYNE. Yes, Mr. Chairman. I am the Director of Resources at Special Operations Command at MacDill Air Force Base in Tampa, FL. As such, I am responsible for the program and for the budget for our Nation's Special Operations Forces.

I thank you for the opportunity to testify this morning on our fiscal year 1994 military construction program. The emphasis this year—we have 12 projects. The emphasis is on force readiness and new capabilities, new construction to support the introduction of new weapons systems and new operational capabilities, Mr. Chairman.

#### PREPARED STATEMENT

We are very grateful for the support that the committee has given us in past years, and I look forward to answering any questions that you may have about our 1994 Milcon program, sir.

[The statement follows:]

#### STATEMENT OF REAR ADM. IRV C. LEMOYNE

##### INTRODUCTION

Mr. Chairman and members of the committee, I am pleased to present the United States Special Operations Command (USSOCOM) fiscal year 1994 Military Construction submittal. Our facility projects are essential to continue the planned development of an expanded special operations capability. The highly specialized skills and equipment required to successfully execute the full spectrum of special operations missions demand a modern array of operations, training, and support facilities.

##### PURPOSE

The focus of USSOCOM's military construction (MILCON) program is to support our command's priorities of modernization, force structure, readiness, and sustainability. The current program is planned to provide facilities that will improve force capability, increase the readiness of complex weapons systems, and support diverse training needs. In particular, the program provides facilities to support new special operations systems, such as the MC-130H (Combat Talon II), AC-130U (Gunship), MH-60G (Pave Hawk) aircraft, and the patrol coastal ship. It also provides facilities for units where no facilities exist, replaces substandard facilities, and alters existing structures to accommodate improved and expanded special operations forces (SOF) capability. All of the individual construction requests are part of a component master construction plan driven by weapon system delivery schedules and activation or relocation of new or existing organizations. All MILCON projects are integrated at the USSOCOM level to ensure that the most needed projects are constructed at the right place, on time, and with the highest return on investment.

Previous budgets completed the revitalization of SOF facilities initiated by the Services. The growth of the USSOCOM mission drives an expanded need for facilities. Your continuing support in prior years has aided immeasurably in improving our operational capability. We look forward to working with your committee to acquire facilities needed by USSOCOM to perform its growing mission and ensure we have a fully modernized force for the foreseeable future.

##### MILCON PROGRAM

The 12 military construction projects in this program include eight projects for the Air Force Special Operations Command (including one Air National Guard project), three for the United States Army Special Operations Command, and one for the Naval Special Warfare Command. Included in the twelve is \$18.45 million for a new Special Operations Medical Training Center at Fort Bragg, North Carolina, as recommended by the House Appropriations Committee report 102-580 and the fiscal year 1993 MILCON appropriations bill. Our MILCON budget request for fiscal year 1994 totals \$79.73 million: \$71.13 million for major construction, \$2.9 million for unspecified minor construction, and \$5.7 million for planning and design. This represents approximately two percent of USSOCOM's total obligation authority and is in line with the investment required to ensure our physical plant supports mission requirements. Approximately 33 percent of the construction supports new mission requirements, and 67 percent supports current mission requirements. Due to relatively small fiscal year 1992/93 programs, the MILCON budget request for fiscal year 1994 has been increased to keep pace with special operations mission growth.

Following is a brief description of each of the 12 projects by USSOCOM's Service components:

*Air Force Special Operations Command*

Eight projects totaling \$20.88 million.

*Squadron operations facility MC-130*

Hurlburt Fld, FL, \$2.75 million. Constructs a squadron operations facility for Combat Talon I aircraft. There is no existing facility to house this squadron.

*Squadron operations facility MH-60*

Hurlburt Fld, FL, \$2.25 million. Constructs a squadron operations facility for MH-60G helicopters. There is no existing facility to house this squadron.

*MH-60G helicopter hangar*

Hurlburt Fld, FL, \$5.70 million. Constructs a three-space hangar for helicopter maintenance. This requirement is driven by the beddown of MH-60G's at Hurlburt.

*Add to weapons maintenance facility*

Hurlburt Fld, FL, \$0.33 million. Constructs a weapons maintenance shop to support increased requirements due to MH-60G helicopters and AC-130U gunships at Hurlburt.

*Munitions maintenance facility*

Hurlburt Fld, FL, \$2.55 million. Constructs a conventional munitions maintenance shop and above ground magazine to support increased requirements driven by the addition of AC-130U gunships and MH-60G helicopters to Hurlburt.

*Add to and alter avionics shop*

Hurlburt Fld, FL, \$4.50 million. Constructs additional avionics shop maintenance space to support Combat Talon II and AC-130U gunships being added to the aircraft inventory.

*Add to supply warehouse / RSP*

Hurlburt Fld, FL, \$1.50 million. Constructs additional supply warehouse and readiness spares package storage areas to support Combat Talon II, AC-130U gunships, and MH-60G helicopters.

*Avionics / ECM POD maintenance and storage*

Harrisburg, PA, \$1.30 million. Provides maintenance, training, and storage space for enhanced avionics and electronic countermeasures equipment.

*Army Special Operations Command*

Three projects totaling \$42.75 million.

*Battalion headquarters buildings*

Fort Campbell, KY, \$4.30 million. Constructs two secure command and control battalion headquarters facilities for the 160th Special Operations Aviation Regiment's (SOAR) mission. Facilities will support two newly activated battalions temporarily housed in underground ammunition bunkers, temporary mobile trailers, and diverted barracks space.

*Special Operations Medical Training Center*

Fort Bragg, NC, \$18.45 million. Constructs a joint medical training complex to train Army Special Forces and Ranger medics, Navy corpsmen, and Air Force pararescue forces. Training is currently divided between Fort Bragg and Fort Sam Houston in undersized facilities in need of extensive repair.

*Barracks complex*

Fort Bragg, NC, \$20.0 million. Constructs adequate permanent barracks for the 4th Psychological Operations Group, 96th Civil Affairs Battalion, 112 Signal Battalion and 528th Special Operations Support Battalion unaccompanied enlisted personnel. Project provides living facilities at or near SOF duty facilities, and reduces Ft. Bragg's 3,400 barracks space deficit by 716 spaces. Project commits 47,200 SF of obsolete structures for demolition.

*Naval Special Warfare Command*

One project totaling \$7.5 million.

**SPECBOATRON PC support**

NAB Little Creek, VA, \$7.50 million. Rebuilds pier, provides utility systems, maintenance, and storage facilities to berth and maintain new patrol coastal ships. Ships cannot be accommodated without this project.

**SUMMARY**

Our proposed fiscal year 1994 MILCON budget for facility investments will significantly improve the operational and training capability of special operations forces. Approval of this program is essential to ensure the continued development of our nation's Special Operations Forces.

Senator SASSER. Thank you. Did you give us the total figure of your request?

Admiral LEMOYNE. It is \$71.2 million for construction, \$5.9 million for planning and design, and \$2.9 million for unspecified minor military construction, sir.

Senator SASSER. \$2.9 million for what?

Admiral LEMOYNE. Unspecified minor military construction.

Senator SASSER. Thank you very much.

Dr. Stremple.

**OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE (FORCE MANAGEMENT AND PERSONNEL)**

**STATEMENT OF DR. JOHN STREMPLE, DIRECTOR, DOD EDUCATION ACTIVITY**

**ACCOMPANIED BY HECTOR NEVAREZ, DIRECTOR, SECTION 6 SCHOOLS**

Dr. STREMPLE. Good morning, Mr. Chairman and members of the committee. I am John Stremple, Director of Education for the Department of Defense. I am pleased to appear before you today to discuss the 1994 military construction program for the Department of Defense Dependents Education Program. I have a statement that I would ask to be included in the record, and I will provide a synopsis at this time.

The DOD Dependents Education Program includes both DOD dependent schools, or DODDS, and the stateside section 6 schools. The total request for fiscal year 1994 is \$41.9 million; \$4 million is for the unspecified minor construction for DODDS. We do not have a major construction projects program for overseas schools in fiscal year 1994. The remaining \$37.9 million is for Milcon projects for our stateside schools.

With me is Dr. Hector Nevarez, the Director of the section 6 schools, to answer any specific questions you may have. The Department of Defense education activity is strongly committed to educational excellence in its schools for the children of military and civilian personnel. The transition occurring overseas presents us with tremendous challenges in meeting that commitment.

Senator SASSER. Would you pull that microphone a little closer, Dr. Stremple?

Dr. STREMPLE. Yes, sir.

We are working to overcome these challenges by focusing on student performance, maximizing stability in the schools, and selectively improving our programs. These operating principles are the basis for formulating and managing the budget for the defense education activity.

Facilities are a key factor in our commitment to education excellence. In fiscal year 1994, 12 section 6 projects are requested at a cost of \$37.9 million. The 12 projects include 2 new schools, 7 classroom additions, 1 multipurpose room, 1 high school auditorium, and 1 project to add 6 gymnasiums to elementary schools.

The projects selected for funding in the fiscal year 1994 program were selected through the application of the following prioritizing factors: the number of new family housing units programmed to be built on the installation, the percentage of schoolchildren housed in temporary facilities or inappropriate facilities, such as on a stage or in a storage area within that school system, the type of facility requested, the school system's priority of the project, how long the school has been waiting for the project, and whether the project was at or could reach the 35-percent design level by January 1993.

Additional family housing, remodeled housing being released for occupancy, the expansion of educational programs, and State reduced people-teacher ratios require additional facilities to house our section 6 school students.

Many of these schools were constructed almost 30 years ago. We are faced with aging, patched together facilities. These facilities are inadequate for today's student population, curriculum requirements, and health and safety needs. The overcrowded conditions of existing facilities and the addition of temporary classrooms further complicate the problem of fulfilling today's educational requirements.

Of the 12 projects requested for 1994, elementary schools at Fort Campbell, KY, and Fort Bragg, NC, are included. The current enrollment in elementary schools on Fort Campbell exceeds the capacity of the schools by almost 800 students. In addition, Fort Campbell is building approximately 100 new family housing units, which will create more overcrowding.

On Fort Bragg, the elementary school enrollment exceeds the capacity of the schools by almost 600 students. Nineteen portable classrooms are utilized to accommodate the students, in addition to classes being conducted in teacher's lounges, guidance offices, and media centers.

The 10 remaining projects include classroom additions required to meet State-mandated pupil-teacher ratio standards, accreditation requirements, and educational program needs.

Force realignments are not expected to affect the enrollment within section 6 schools. With the exception of Puerto Rico, the legislation establishing section 6 schools specifically limits the eligibility to attend these schools to those children who reside on Federal property. Consequently, only changes in the number of military housing units located on Federal property on an installation with the section 6 school system would affect our enrollment.

We do not project any significant vacancies in military housing. The services fill their quarters prior to authorizing their military members to reside in the civilian community.

#### PREPARED STATEMENT

In summary, the fiscal 1994 military construction budget submission reflects a realistic assessment of the needs in an environment of constrained resources. Your support of these essential school con-

struction projects will result in the provision of adequate acceptable school facilities which will provide the space required to alleviate the accreditation and overcrowded conditions which have resulted in the use of substandard facilities.

Thank you, Mr. Chairman.

[The statement follows:]

#### STATEMENT OF JOHN L. STREMPLE

Mr. Chairman and Members of the Committee: I am John Stremple, Director of Education for the Department of Defense. I am pleased to have the opportunity to appear before you today to present the fiscal year 1994 Military Construction (MILCON) program for the Department of Defense Dependents Education Program, which includes both DOD Dependents Schools (DODDS) overseas and the stateside Section 6 Schools. The total request for fiscal year 1994 is \$41.9 million; \$4 million for unspecified minor construction for DODDS. We do not have major construction projects programmed for our overseas schools in fiscal year 1994. The remaining \$37.9 million is for MILCON projects for the stateside Section 6 Schools.

The Department of Defense Education Activity is strongly committed to educational excellence in its schools for the children of military and civilian personnel. The transition occurring overseas presents us with tremendous challenges in meeting that commitment. We are working to overcome these challenges by focusing on student performance, maximizing stability in the schools, and selectively improving our programs. These operating principles are the basis for formulating and managing the budget for the Defense Education Activity.

Facilities are a key factor in our commitment to education excellence. In 1994, twelve Section 6 projects are requested at a cost of \$37.9 million. The twelve projects include two new schools, seven classroom additions, one multipurpose room, one high school auditorium, and one project to add six gymnasiums to elementary schools.

The projects selected for funding in the fiscal year 1994 program were selected through the application of the following prioritization factors: Number of new family housing units programmed to be built on the installation; the percentage of school children housed in temporary facilities or inappropriate classrooms (such as on a stage or in storage areas) within that school system; the type of facility requested; the school system's priority of the project; how long the school had been waiting for the project; and whether the project was at or could reach the 35 percent design level by January 1993.

Additional family housing, remodeled housing being released for occupancy, the expansion of educational programs, and State reduced pupil/teacher ratios require additional facilities to house our Section 6 Schools students. Many of these schools were constructed almost thirty years ago. We are faced with aging, patched-together facilities. These facilities are inadequate for today's student populations, curriculum requirements, and health and safety needs. The overcrowded conditions of existing facilities and the addition of temporary classrooms further complicate the problem of fulfilling today's educational requirements.

Of the twelve projects requested in fiscal year 1994, elementary schools at Fort Campbell, Kentucky, and Fort Bragg, North Carolina, are included. The current enrollment in the elementary schools on Fort Campbell exceeds the capacity of the schools by almost 800 students. In addition, Fort Campbell is building approximately 100 new family housing units which will create more overcrowding. On Fort Bragg the elementary school enrollment exceeds the capacity of the schools by almost 600 students; 19 portable classrooms are utilized to accommodate the students, in addition to classes being conducted in teachers' lounges, guidance offices, and media centers.

The ten remaining projects include classroom additions required to meet State mandated pupil/teacher ratio standards, accreditation requirements, and educational program needs.

Force realignments are not expected to affect the enrollment within Section 6 Schools. With the exception of Puerto Rico, the legislation establishing Section 6 Schools specifically limits the eligibility to attend these schools to those children who reside on Federal property. Consequently, only changes in the number of military housing units located on Federal property on an installation with a Section 6 School system would affect our enrollment. We do not project any significant vacancies in military housing. The Services fill their quarters prior to authorizing their military members to reside in the civilian community.

In summary, the fiscal year 1994 military construction budget submission reflects a realistic assessment of needs in an environment of constrained resources. Your support of these essential school construction projects will result in the provision of adequate, acceptable school facilities which will provide the space requirement to maintain accreditation and alleviate overcrowded conditions which have resulted in the use of substandard facilities.

Senator SASSER. Thank you, Dr. Stremple. Do you have anything to add to that, Mr. Nevarez?

Mr. NEVAREZ. No, Senator.

#### HOSPITAL CONSTRUCTION PROJECTS

Senator SASSER. Ms. Watson, a question for you, if you would pull that microphone closer. One reason the Defense Agency's budget appears to have a large increase over last year's appropriation is the decision to fully fund hospital construction projects.

Now, in years past we have phase-funded these projects. The question comes, why does the Department now seek to fully fund these very large, costly multiyear projects in just 1 year?

Ms. WATSON. Mr. Chairman, there are a number of events underway which are going to dramatically affect the number and mix of health care facilities in the country. I will mention several of those.

The first is the 733 study, as it is called, that was required by the National Defense Authorization Act of 1992 and 1993. That provision required the Department of Defense to do an in-depth study of both its wartime and peacetime requirements and costs. An interim report was sent to Congress this year, and the final report is due in December of this year. That study will have a lot to do with what our structure is to support health care delivery in the military services.

The second item I want to mention is the Base Realignment and Closure Commission recommendations, and that also affects our hospitals as well as all our facilities throughout the country.

The third is the President's health care plan and how DOD plays in that whole forum. The Department submitted a budget this year fully funding four ongoing projects that we feel we will continue to need in the ensuing years, no matter what these other efforts determine, so we thought it was appropriate to commit to those projects, full, useable, large hospital projects at this point in time, and have submitted a budget to support that.

Senator SASSER. Can you qualify any particular savings that can be achieved by full funding up front?

Ms. WATSON. We hope to achieve some savings by fully funding these projects and being able to commit to them and have the flexibility with the contractors in that regard, but I have no figures on that at this point for you, sir.

Senator SASSER. I think we would like to hear what savings might be achieved by fully funding these projects up front, because I do not need to tell you that we are going through very austere fiscal times now, and we need to look everywhere we can for savings on a year-to-year basis.

I must say that before we would agree to these changes, we are going to have to take a hard look at this proposal and make a judgment on the potential savings and on the efficiencies that might or might not be achieved.

Let me turn now to Senator Stevens for any questions he might have.

Senator STEVENS. Thank you, Mr. Chairman, you are kind, because I have just been notified I have to go to another meeting.

#### ELMENDORF HOSPITAL PROJECT

Ms. Watson, Senator Inouye and I are going to Anchorage on Saturday. It is really Friday night, but on Saturday there will be a traditional turning over of dirt at the Elmendorf Hospital. Is that still on schedule?

Ms. WATSON. Yes, sir, it is, and it is one of the four projects that we are seeking full funding for. We reached 35 percent design in January of this year and we expect 100 percent design in January next year, and it is on track, and we fully support it.

Senator STEVENS. Well, I am all for fully funding our hospital, but I have got to share the chairman's question as to whether there is any cost savings by doing that, because when we budget that we automatically require the borrowing of money to pay for it. I think we ought to make sure that that is cost effective, to have that contract.

I think there is an ongoing Indian Health Service hospital in Alaska, that it may well be we will get some cost savings by virtue of keeping the work, the contractors there, and equipment there, if they know they are going to swing into the other project, but I would share his question in that regard.

#### DOD-OPERATED SCHOOLS IMPACT AID MONEY

Mr. Chairman, I have one other question. I would like to ask Mr. Nevarez if he would tell us for the record why the Department did not ask for the impact aid money in full that the DOD-operated schools are entitled to this year. It is an interesting question which was just brought to my attention. It indicates that you did not seek full funding for impact aid.

I do not have time to stay. I am sorry, I have been called to another meeting, but I would appreciate it if you would put it in the record if you would, Mr. Nevarez.

Mr. NEVAREZ. Yes, sir; we will be happy to.

[The information follows:]

The Impact Aid program, Section 3 of Public Law 81-874, as amended (20 U.S.C. § 238), which compensates public school districts for the education of federally-connected children whose parents do not contribute fully to the local tax base and for the loss of revenues caused by the Federal ownership of property, is administered by the Department of Education. The Department of Education administers this program on behalf of all Federal agencies, including DOD. DOD has never been involved in the administration of the Impact Aid program, except for the special arrangements described in Section 6 of the Act; and, therefore cannot seek funding for Impact Aid.

Senator STEVENS. Thank you, Mr. Chairman. I appreciate your courtesy.

Senator SASSER. Thank you, Senator Stevens.

#### PREPARED STATEMENT OF GEORGE W. BADER

At this point in the record I will include a statement which has been presented by the Acting Secretary of Defense for European

and NATO Policy. All Department of Defense personnel associated with the NATO program are today preparing for the NATO ministerial meeting which begins tomorrow. Therefore, they presented their testimony here for the record.

[The statement follows:]

**STATEMENT OF GEORGE W. BADER, ACTING DEPUTY ASSISTANT SECRETARY OF DEFENSE, EUROPEAN AND NATO POLICY, INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE**

**OVERVIEW**

I appreciate the opportunity to present this formal Statement for the Record to the Subcommittee on Military Construction of the Senate Appropriations Committee. This statement is submitted in consideration of the \$240 million that the Department is requesting as the 1994 U.S. contribution to the NATO Infrastructure Program. Maintaining the U.S. commitment to the Infrastructure Program is critically important to both NATO and to the U.S. in its global leadership role. The U.S. stake in the Alliance—our ability to lead and exert influence in pursuit of vital regional security objectives—is closely linked to support of this program. Expectations for NATO to meet future security challenges and for equitable burdensharing among the allies require both an activist U.S. role in its councils and meeting our full political, military and financial commitments to the Alliance.

Recognizing the specific concerns of this Subcommittee regarding the future of the NATO Infrastructure Program, I would stress that the program has significantly altered its basic orientation and its future direction. In concert with the major changes in the European strategic environment, NATO has revised the Infrastructure Program, rationalizing its future content and scope to meet the new military support needs of the post-Cold War era.

In addition, the Alliance has taken great pains to downsize the program's once-considerable resource demands. By effecting important program management changes, the Alliance will make the Infrastructure Program more cost effective and responsive in a time of diminishing resources.

Finally, the program remains relevant to the U.S., the Alliance and our collective ability to ensure European regional security. As NATO develops its crisis response capability and prepares to implement United Nations peacekeeping mandates in areas of instability and ethnic tension, its ability to maintain and sustain operational missions will be directly dependent on the availability of the support facilities, installations and capabilities of the NATO Infrastructure Program. It is therefore of vital importance that we continue supporting this keystone Alliance program.

**A NEW DIRECTION: THE TRANSITION FROM THE COLD WAR**

Since 1989, NATO has undergone a significant transformation in response to the radical changes in the European security threat environment. These changes have had a profound impact on all major Alliance programs and activities, including the NATO Infrastructure Program. These changes were documented in:

- The 1990 London Declaration, marking the transition in NATO from a forward-deployed, static defense posture to a highly mobile and flexible strategy;
- The Rome Declaration of 1991, which enunciated the "outreach" concept for achieving peace and cooperation with the emerging nations of Central and Eastern Europe;
- The new Strategic Concept of November 1991, depicting new strategic risks as multi-faceted in nature and multi-directional in origin, and iterating concepts for enhanced flexibility and mobility of future Alliance forces; and
- The Oslo Final Communiqué of June 1992, which broached the concept of NATO peacekeeping activities under the auspices of the CSCE.

In the wake of these major changes, detailed follow-on assessments of the military requirements needed to support the Alliance's new Strategic Concept describe future NATO forces that are smaller, more flexible and mobile than those of the past; multi-national information and character; and capable of rapid buildup, movement and reinforcement.

Concurrent with these major strategy changes, the Alliance, in February 1991, called for a Fundamental Review of the NATO Infrastructure Program. The review was intended to address the urgent need to rationalize the program's budget and project eligibility requirements, as well as to address the program's future scope and content, all in light of the many external and internal changes taking place around NATO.

Within the context of the Fundamental Review, the program, once focused on countering a Soviet-Warsaw Pact assault on the Central region of Europe, has been basically re-aligned to reflect NATO's new missions, doctrine and procedures. This new orientation will support continuing military needs, such as modernization and restoration of existing facilities and installations, including U.S.-user facilities in Europe, and those in the continental U.S. that support U.S. reinforcing and future forward-based (100K) force levels. But the program will also support new requirements for such activities as transatlantic and intra-European theater reinforcement and mobility; enhanced command and control capabilities for NATO forces; increased political consultation and crisis management support; surveillance, reconnaissance and intelligence gathering; logistics support and resupply; control of lines of communication; training support and exercise facilities; and ensuring positive control over residual nuclear capabilities.

To ensure that the future program assists the Major NATO Commanders (MNC's) in carrying out their operational responsibilities in peace, crisis or war, NATO approved the "Capability Package" concept last year. This important requirements-driven management reform will place greater program emphasis on direct support of MNC military requirements, thus more closely linking the program to implementation of NATO's new military strategy.

Concurrently, the program will move away from projects producing installations and facilities for use by in-place national forces operating on their own territory (which will become a national responsibility) toward projects more diverse in outlook and orientation. The program's wider involvement in high technology communications and information processing systems, for example, reflects the Alliance's increased emphasis on political consultation and decision support for crisis management and conflict prevention purposes. These enhanced capabilities will find use in both "real world" situations and for computer-assisted training and exercise support.

NATO also took an important step toward adapting the Infrastructure Program to meet other kinds of future needs when it agreed in May 1992 to make certain operating costs of U.S. reinforcement facilities eligible for Infrastructure funding. This shift recognizes the importance not just of maintaining past capital investment, but also the importance of the U.S. reinforcement capability, and (most importantly) the need to share the cost of preserving that capability.

#### COST CONSIDERATIONS: IMPLICATIONS FOR FUTURE ALLIANCE AND U.S. PLANNING

NATO Secretary General Manfred Woerner has declared that the NATO Infrastructure Program, along with NATO integrated command structure, are the two mainstays of the Alliance. The program has materially contributed to the maintenance of peace, stability and security in Europe, reinforcing Alliance cohesion, especially the transatlantic link. Its operations reaffirm NATO's solidarity of purpose and demonstrate the equitable sharing of roles, responsibilities, costs and benefits of cooperative defense efforts.

Even as a cooperative defense responsibility sharing program, cost considerations remain a paramount concern. The financial dimensions of providing military support requirements through the Infrastructure Program have been under close scrutiny during the past several years. Since early 1991, the NATO Infrastructure Program has undergone a major substantive reorientation, cutting out militarily unnecessary or unjustifiable projects (downsizing by about 40 percent since 1989), and re-aligning program activities consistent with requirements derived from the Alliance's new Strategic Concept.

On the basis of an initial review of future requirements to support the evolving force structure, new strategy and missions, and the maintenance and restoration of common facilities already in the inventory, annual program funding needs are leveling out at about \$900 million to \$1 billion annually, down from about \$1.8 billion in the late 1980's. The Department of Defense is requesting \$240 million in fiscal year 1994 to meet the U.S. share of the program.

Unfortunately, the U.S. failure to adequately fund the Infrastructure Program has undercut important program reform efforts. For fiscal year 1993, the Congress cut the U.S. national contribution to the NATO Infrastructure Program from a requested \$221 million to \$60 million. This level of funding adversely affected the Alliance and its ability to continue adapting to the new post-Cold War environment, and to meet day-to-day NATO Infrastructure Program requirements. Currently, the program is limited to paying for financial increments for projects already under contract; implementing approved projects related to destroying and transferring Treaty-Limited Equipment (TLE) under the Conventional Armed Forces in Europe (CFE) Treaty; and paying out recurring management and administrative expenses for program-related communications and logistical support activities. The Alliance's ability

to implement new programs is severely constrained. In short, only the program's most basic obligations are being serviced.

In making its fiscal year 1993 program funding cuts, Congress suggested that funding shortfalls could be made up by using a combination of recoupments, residual value payments from base closures and over \$400 million in "unliquidated balances" then in the account. In reality, these alternative funding sources have yielded very limited results. For example, recoupment of funds from pre-financed projects works the same as funding for a new project. With inadequate fiscal year 1993 funding, the authorization of new projects has been severely restricted. As pre-financed projects are "new starts" they have not been authorized this fiscal year. Thus, the U.S. has had limited ability to recoup funds, and only about \$15 million of a possible \$59 million for fiscal year 1993 has been recovered.

Regarding residual value payments from base closures, these are largely the result of negotiations under various Status of Forces and bilateral agreements with host nations. The Department of Defense is endeavoring to obtain appropriate residual value payments for U.S. facilities being closed in Europe. However, such funds cannot be applied to infrastructure projects without new statutory authority. Currently, portions of residual value payments are being used as offsets to U.S. forces stationing costs overseas rather than for the NATO Infrastructure Program.

Finally, the \$400 million in unliquidated obligations are U.S. funds that have already been obligated, but not yet expended, for NATO projects that are ready for contract award. Following contract award the funds are expended as progress payments to contractors over the construction period or, in the case of procurement contracts, payment upon delivery of equipment. Thus, these unliquidated funds are not available for any new obligations. Some funds that have been "deobligated" as projects contracts are canceled or savings realized through lower-than-expected bids are available for subsequent obligation by the U.S. However, these "deobligation" actions represent only about 10 percent of already-approved projects. Thus, notwithstanding the availability of money from other sources (including allied contributions), the Infrastructure Program remains underfunded for the foreseeable future.

When adequate funding becomes available, the Alliance plans to initiate several urgent projects and undertake new initiatives beneficial to the U.S. These include obtaining common funding support for restoration and new construction for several reinforcement bases, storage facilities and embarkation points in the U.S. (currently estimated at over \$250 million); and obtaining through the NATO Infrastructure Program initial funding for payment of selected U.S.-paid O&M costs for reinforcement support facilities in Europe (i.e., POMCUS sites, war reserve stocks, Collocated Operating Bases and ammunition storage sites) via the NATO Collective Cost Sharing Initiative (the "Holmes" Initiative).

Unfortunately, without adequate funding, all these new and ongoing program support requirements will be further delayed or deferred indefinitely.

The U.S. failure to meet its national commitment to the NATO Infrastructure Program also has had an adverse impact on intra-Alliance burdensharing. Congress has mandated increased burden and cost sharing by our NATO allies to offset U.S. stationing costs in Europe. In response, the U.S. succeeded in gaining NATO approval for implementing the provisions of the Collective Cost Sharing Initiative; gained NATO approval for use of common funding to implement the CFE-related equipment transfer and destruction activities; and approached Britain, Germany and Italy bilaterally to solicit additional stationing cost concessions through future negotiations. The successful completion or implementation of all these burdensharing initiatives is directly dependent on adequate NATO Infrastructure Program funding. The U.S. cannot expect allied governments to enter into new cost sharing agreements if we are not seen as active participants in Alliance political, military and financial affairs. Indeed, several allies are very disturbed about the U.S. funding cut—having supported a major collective cost sharing initiative and other burdensharing actions in 1992, the Congressional program funding cut undermined the Alliance's ability to implement them.

#### A FUNDAMENTAL NECESSITY: THE IMPORTANCE OF THE INFRASTRUCTURE PROGRAM TO THE U.S.

U.S. national security interests and objectives are inter-linked with European regional security, stability, integration and development, not just in politico-military terms, but in economic terms as well. U.S. leadership and influence are fundamental to achieving long term regional and Alliance security objectives. A credible U.S. forward military presence, and full and active participation in the NATO Alliance are two key factors that will keep this important transatlantic relationship vibrant and resilient well into the future.

One of the key obligations the U.S. incurs to assure its leadership and influence is maintaining a strong commitment to the NATO Infrastructure Program. The program's continued importance to the U.S. in achieving its European security objectives are manifestly evident. The NATO Infrastructure Program provides ongoing support for U.S. forces in NATO-related operations. Major examples include providing ground, air and naval base operational support; affording access to replenishment facilities and communications equipment (e.g., for surveillance and warning aircraft and for the naval flotilla and No-Fly operations enforcing U.N.-sponsored peacekeeping programs in the former Republic of Yugoslavia [FRY]); maintaining positive command, control and security over residual nuclear weapons stored in Europe; sustaining support for humanitarian or peacekeeping missions which NATO may be asked to support for the U.N. or the CSCE; supporting throughout of CONUS reinforcement troops and materiel being surged to Europe (if necessary) to round out existing force structures and inventories; and providing long-term sustainment of combined, multi-national military forces, as has been the case through NATO-funded facilities in Turkey supporting Operation Provide Comfort.

The degree to which the Alliance can maintain and sustain effective military forces and operations to achieve Alliance missions will be the direct result of the NATO Infrastructure Program's ability to support key operations and mission requirements.

While such sustained support is costly, it is much more costly to "go it alone." The Infrastructure Program is a collective funding activity. The U.S. commitment to the NATO Infrastructure Program therefore needs to be viewed not just from the cost side of the equation, but also from the benefits we derive from it. It is important to note that while continuing to implement cost-cutting measures, the program is aggressively pursuing new ways of achieving cost savings that will directly affect and benefit U.S. forces. Examples of this include seeking ways to defray the disproportionately high financial costs incurred by nations like the U.S. stationing forces outside their national boundaries (i.e., POMCUS O&M, and other costs); providing funding for facilities that support the movement of stationed or transiting forces (i.e., pipelines, ports, airfields); and providing for the unique defense needs of nations with special geographic or financial liabilities (e.g., facilities in Turkey supporting Operation Provide Comfort, command and control facilities for operations in the FRY).

We expect that the U.S. will probably continue to derive benefits from the program within the framework of its fundamentally renewed structure. Historically, U.S. forces have been the direct beneficiaries of some 30 to 40 percent of the program's projects. U.S. industries consistently win about 50 percent of the high technology projects and, because of the often close interface between NATO's work and related projects in allied nations, the NATO Infrastructure Program offers a window through which U.S. industry can successfully compete for national projects in allied countries, markets that might not otherwise be accessible.

Thus, the renewed NATO Infrastructure Program will continue to offer the U.S. many substantial political, military and economic benefits that might not be available acting alone, or, if available, only at a much higher cost.

#### SUMMARY

As the Congress and the Administration prepare to deliberate on the future U.S. commitment to this critical Alliance program, several key points need to be emphasized.

*Program direction.*—The Alliance has reacted to the strategic opportunities presented by the end of the Cold War by actively renewing the direction and substance of the NATO Infrastructure Program, bringing it more closely in line with the changes in mission requirements contained in the new Strategic Concept. Concern for new threats and challenges brought forth a new program direction, one which will result in diminished funding for national facilities, and concentrate instead on funding new common requirements, such as political consultation, crisis management, and outreach activities with the newly-emerging states of Central and Eastern Europe, among others.

*Program relevance.*—NATO's transition to the new NATO Infrastructure Program is designed to ensure the continued relevance of the work of the program in the post-Cold War security environment. The Alliance is poised to expand the scope of the NATO Infrastructure Program's activities into new mission areas, like peacekeeping and conflict prevention efforts. Skeptical national governments, wanting assurances that the NATO Infrastructure Program is not engaged in "business-as-usual," preparing for yesterday's threat rather than tomorrow's challenges, need only consider the new directions in which the Alliance is now capable of heading—

political consultation, crisis management and militarily flexible, mobile response—to understand the NATO Infrastructure Program's continued relevance to future European regional peace and stability.

*Program funding.*—In an era in which the scale and timing of the military threat to the Alliance has changed so radically, and when there are many other competing claims on scarce national resources, is it prudent to continue funding the NATO Infrastructure Program? If the U.S. fiscal year 1993 program funding cut has taught us anything, it is a lesson about limitations—about what the U.S. and the Alliance cannot accomplish, even when alternative funding sources are used. To date, a thorough review of potential alternative funding sources (e.g., unliquidated obligations, recoupments and residual value payments) indicates that they are inadequate to sustain a viable program, either now, in this critical transition period, or in the future. This point deserves careful attention because when one considers the efficiency of the common fund mechanism and the cost-effectiveness of the NATO Infrastructure Program itself, it becomes readily evident that the U.S. and the other NATO allies receive substantial returns from the money invested in it. Not only do U.S. forces stationed at home and abroad benefit, but U.S. industry obtains unique opportunities to compete for contracts and market access through the Alliance. In addition, our direct participation yields dividends on the burden and cost sharing side of the equation, which not only result in tangible financial offsets, but also in critical intangibles—like Alliance cohesion and U.S. influence.

Our financial support for the Program also has important political implications. Rightly or wrongly, the common perception holds that there is a direct one-to-one correlation between the U.S. financial contributions to NATO and its political commitment to the Alliance. When U.S. funding for the NATO Infrastructure Program dropped last year, anxious allies began to openly question the U.S. commitment to NATO and to European stability. If it is in our long-term national interest to maintain U.S. leadership and influence in European regional security affairs, then the U.S. must be willing to bear long-term political, military and financial commitments to the Alliance. In practical terms, this means making a credible funding commitment to the NATO Infrastructure Program, not just in fiscal year 1994, but in future years as well.

#### CONCLUSION OF HEARINGS

Senator SASSER. I want to thank all my witnesses here this morning. I particularly thank our agency witnesses for their testimony, and before we mark up we may very well have additional questions concerning your requests.

I appreciate your appearance here, and this hearing is recessed.

[Whereupon, at 11:12 a.m., Monday, May 24, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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